



*Strategic
Business
Innovator*

SBI Holdings, Inc. 2015 Information Meeting

May 18 Nagoya

May 21 Tokyo

May 26 Osaka

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

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

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

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

Today's Program

**Part I: Explanations for the
Key Questions**

Part II: Q&A

Part I: Key Questions

- 1. Please provide a summary for the FY2014 financial results**
- 2. What is the outlook for FY2015, FY2016 and beyond?**
- 3. What is the near-term strategy for the insurance-related business with regard to the start of “SBI Life Insurance”?**
- 4. What is the strategy for business investments going forward?**
- 5. What is the progress of the prioritized 5-ALA-related business?**
- 6. What are management’s thoughts on shareholder returns?**

1. Please provide a summary for the FY2014 financial results

Key Points of FY2014 Consolidated Financial Results

- ① FY2014 consolidated financial results achieved record high operating revenue and operating income. Profit attributable to owners of the Company also achieved a twofold increase year-on-year.
- ② ROE for FY2014 reached 12.9%, a significant improvement from the 6.8% of the previous period.
- ③ By segment, both operating revenue and profit before income tax expense of the Financial Services Business increased significantly.
- ④ Most major subsidiaries of the Financial Services Business, such as SBI SECURITIES, achieved record high profit before income tax. Financial results of loss-making companies, such as SBI Insurance and SBI Card, also improved, resulting in an improved earnings structure for the Financial Services Business.
- ⑤ Although the Asset Management Business recorded losses, owing to changes in the fair value of its share holdings, the results of SBI Savings Bank of South Korea's led the way.
- ⑥ Biotechnology-related business significantly increased the shipment volumes of health foods and cosmetics containing 5-ALA. On the other hand, an asset revaluation of a SBI Biotech subsidiary's pipeline was necessitated, resulting in a temporary loss and an increase in loss for profit before income tax expense on an year-on-year basis.
- ⑦ Owing to the strong financial results, shareholder returns were further enhanced.

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 <i>(Historical high)</i>	+5.3
Operating income	42,224	68,209 <i>(Historical high)</i>	+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

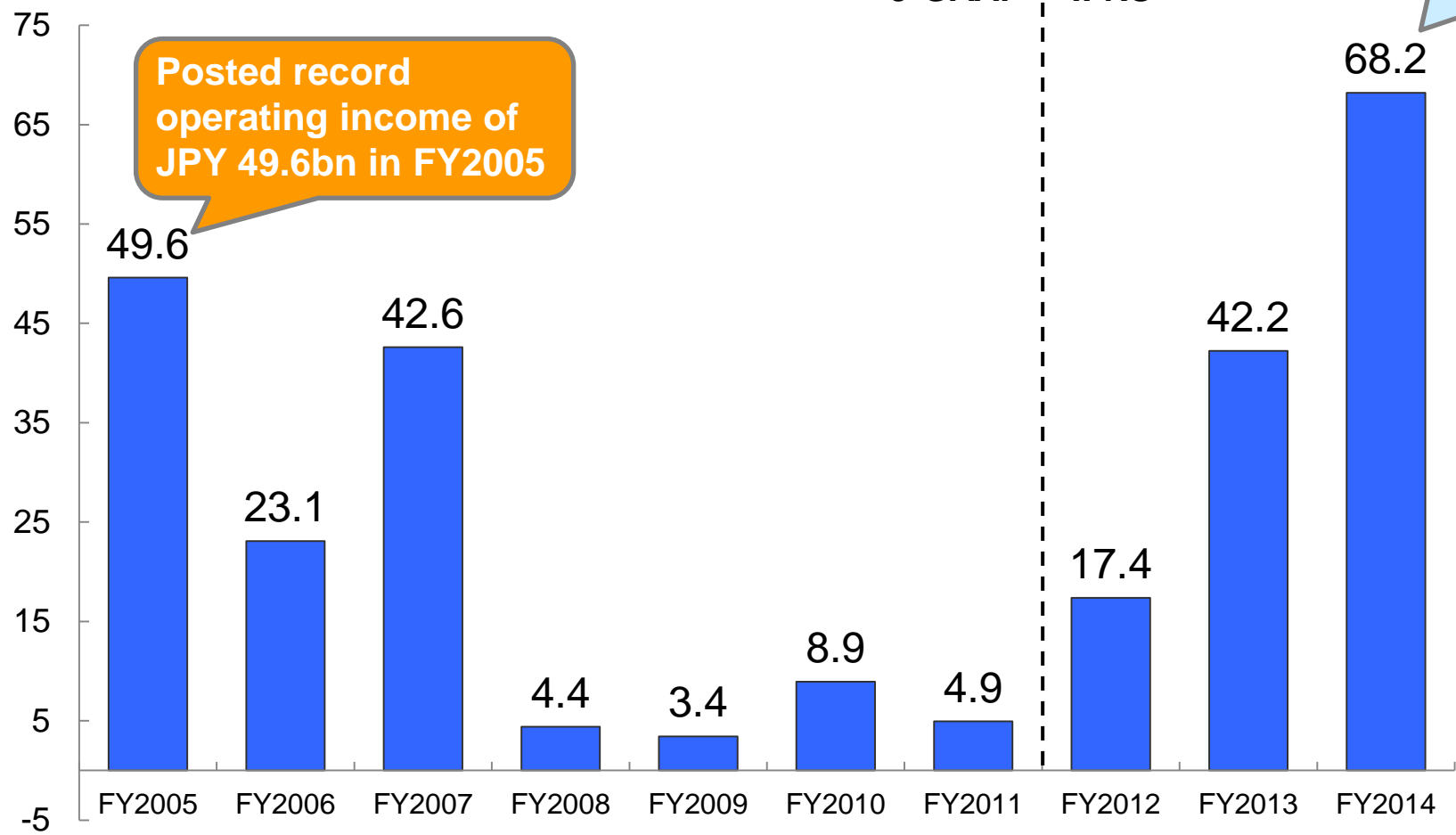


Operating Income for FY2014 Exceeded the Record of the Past

Operating income in the past 10 years

Historical high in operating income of JPY 68.2bn in FY2014

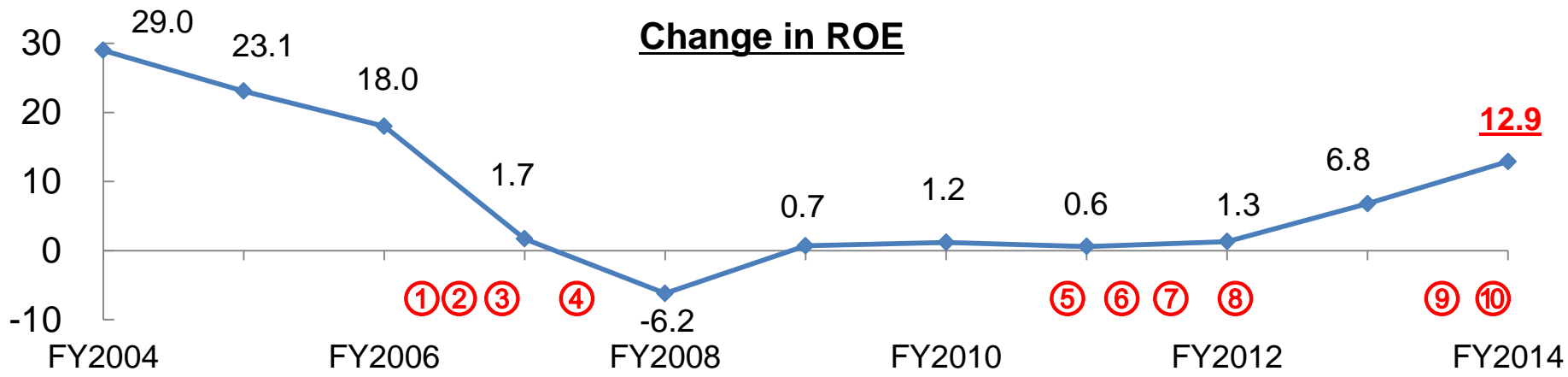
(JPY billion)



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



ROE Reached 12.9%, Surpassing Milestone Target of 10%.



Business environment

- Suspension of investment funds by BNP Paribas
- The Livedoor shock
- Exposure of Greece debt problem
- European debt crisis
- Abenomics
- Economic deterioration in developing countries
- Collapse of Lehman Brothers
- Inauguration of G20 summit
- Recurrence of Greece debt problem

Business strategy

- Expansion of scale
- Emphasis on Profitability ("Selection and Concentration")

- Specific measures**
- ① Aug. 2007 SBI Japannext began operation of PTS
 - ② Sept. 2007 SBI Sumishin Net Bank commenced business
 - ③ Jan. 2008 SBI Insurance commenced business
 - ④ Nov. 2008 SBI Liquidity Market started operations
 - ⑤ Mar. 2012 Sales of the former SBI VeriTrans
 - ⑥ May 2012 SBI FXTRADE started operations
 - ⑦ Sept. 2012 Consolidated SBI Japannext
 - ⑧ Mar. 2013 Consolidated current SBI Savings Bank
 - ⑨ Aug. 2014 Sales of SBI Mortgage
 - ⑩ Feb. 2015 Consolidated SBI Life Ins (former PCA Life Insurance)

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

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)

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 **SBI**

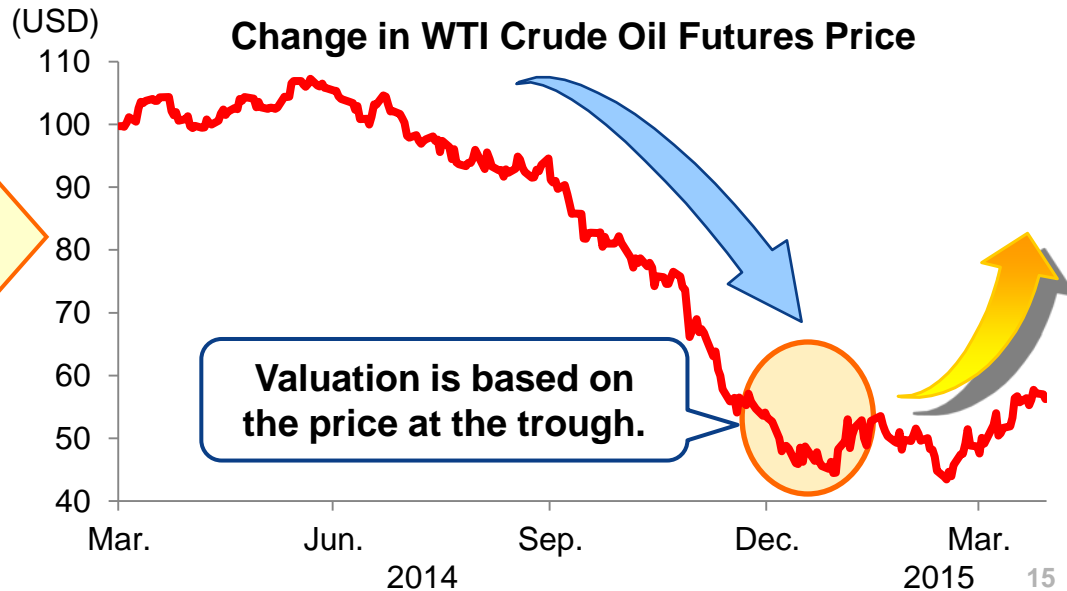
(Based on IFRS, JPY billion) Holdings

	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)

Due to the decline in crude oil prices, resulting in a recorded loss of JPY 3.4bn

	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

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

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



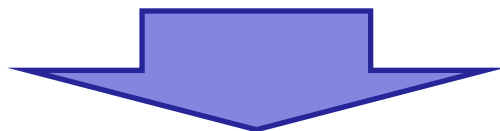
Current State of IPO Readiness of SBI Biotech ①

[Pipeline Drugs that is an IPO Requirement]

	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 I			

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



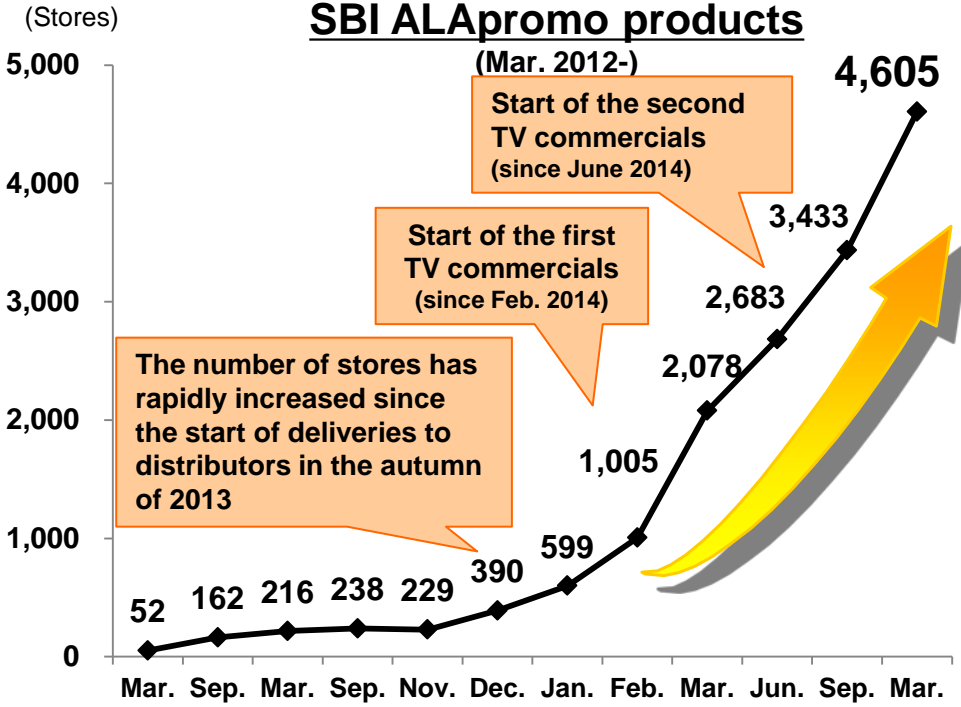
Resume IPO preparation



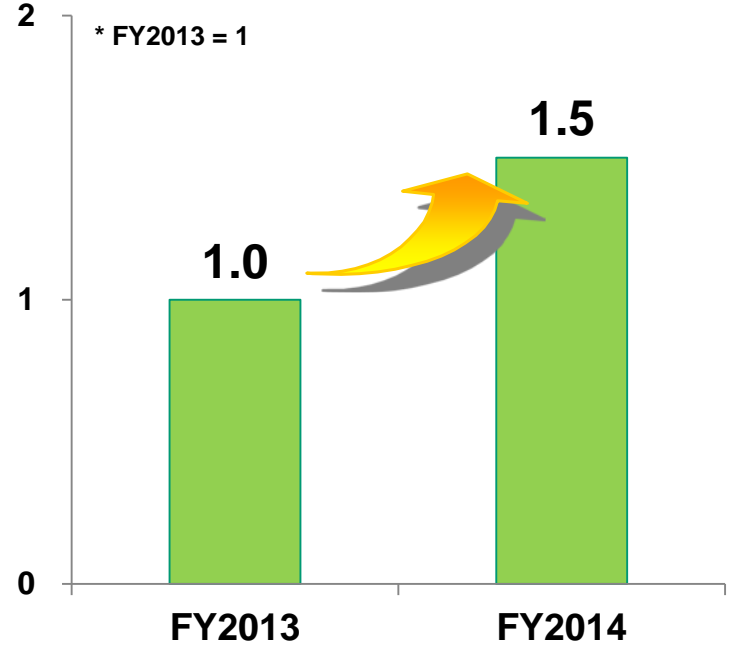
Significant Increase in Shipment Volumes of Health Foods and Cosmetics Containing 5-ALA as well as Consulting Pharmacies and Drugstores Offering SBI ALApromo Products

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.

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**

2. What is the outlook for FY2015, FY2016 and beyond?

- (1) External factors that may influence the Japanese economy going forward**
- (2) The outlook for the Group's major businesses for FY2015, FY2016 and beyond**
- (3) Continued promotion of business "Selection and Concentration"**

(1) External factors that may influence the Japanese economy going forward

Newspaper article

① Timing of a U.S. Interest Rate Hike

- GDP grew by 0.2% in the Jan.–Mar. 2015 quarter, sharply decelerating from 2.2% growth rate in the Oct.–Dec. 2014 quarter
- The outlook for a full-scale jobs recovery bears close watching

② Trends in the Chinese Economy

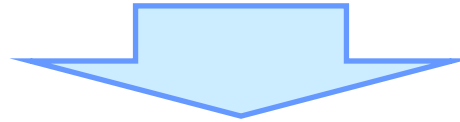
- GDP grew by 7.0% in the Jan.–Mar. 2015 quarter, decelerating from 7.3% growth in the Oct.–Dec. 2014 quarter to the lowest level in six years.
- An additional interest rate cut was implemented on May 11.

③ Greek Debt Problem

- The Greek government's cash flow situation is set to markedly worsen due to the formation of an anti-austerity government.

① Timing of a U.S. Interest Rate Hike

U.S. employment statistics — Since the start of 2015, the U.S. economy has added an average of 194,000 jobs per month, lower than the monthly average increase of 227,000 in Jan.–Apr. 2014, when jobs growth was affected by bad weather.



- **Probability of a Federal Open Market Committee (FOMC) interest rate hike in Sept. and Dec. as indicated by the CME Group's Fed Watch (policy interest rate forecast index):**

Sept. Rate increase probability: 19.89%

Dec. Rate increase probability: 47.03%

- **Probability of an interest rate hike in Sept. and Dec. calculated from policy interest rate levels forecast by the futures market:**

Sept. Rate increase probability: 25%

Dec. Rate increase probability: 75%

*As of May 13, based on SBI Liquidity Market data

② Trends in the Chinese Economy

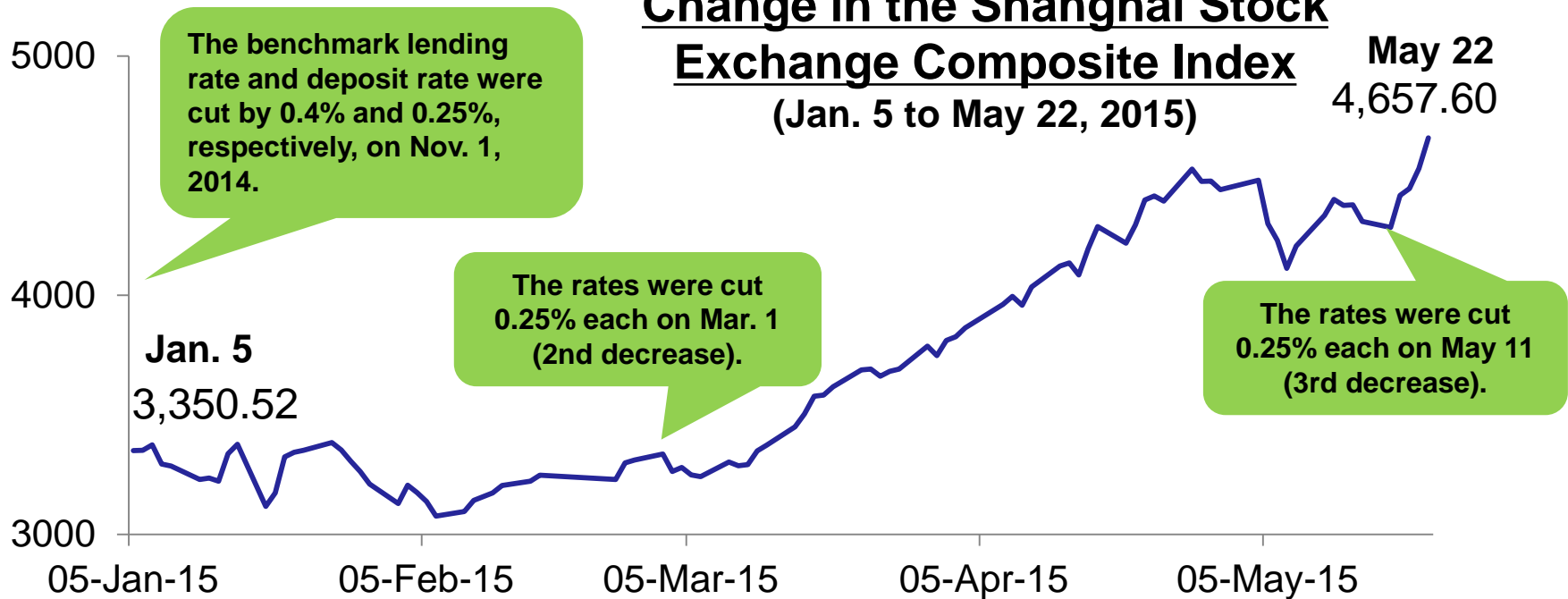
Policy Interest Rate Trend

The People's Bank of China announced cuts in its benchmark lending and deposit rates (China's policy interest rates), the first decreases in about two months since Mar. 1.

- ◆ Lending rate (one-year): 5.35%→5.1% (0.25% decrease)
- ◆ Deposit rate (one-year): 2.5%→2.25% (0.25% decrease)

Change in the Shanghai Stock Exchange Composite Index

(Jan. 5 to May 22, 2015)



Although domestic demand is weak, no major impact on the Chinese economy is likely since the government has been cutting policy interest rates and the stock market is strong.

③ Greek Debt Problem

Newspaper article

Economic turmoil in Greece deepens. Eurozone finance ministers Postponement of bailout resumption

“In a statement following the (May 11) meeting, the ministers called for continuation of negotiations. For the time being, time has been gained to avoid a default.”

“From a procedural perspective, the end of May is likely to be a critical time. If the current bailout framework expires at the end of June, Greece stands to lose access to a loan of approximately EUR 7.2 bn (JPY 970.0 bn).

(The Nihon Keizai Shimbun (morning edition), May 13, 2015)

How can the gap between anti-austerity Greek Prime Minister Tsipras and the countries providing euro assistance be bridged?

(2) The outlook for the Group's major businesses for FY2015, FY2016 and beyond

- ① SBI SECURITIES**
- ② SBI Japannext**
- ③ SBI Liquidity Market, SBI FXTRADE**
- ④ SBI Sumishin Net Bank**
- ⑤ SBI MONEY PLAZA**
- ⑥ SBI Insurance**
- ⑦ SBI SSI, SBI IKI IKI SSI**
- ⑧ Asset Management Business**
- ⑨ SBI Savings Bank**
- ⑩ Biotechnology-related Business**

Eliminating the Operating Income Item from this Fiscal Year

Owing to an auditor's request, changing the disclosure method for the income statement from the current fiscal year

➔ Upon elimination of the operating income item, profit before income tax expense will become a criteria for the financial results

Depiction of Income Statement for Following Fiscal Year

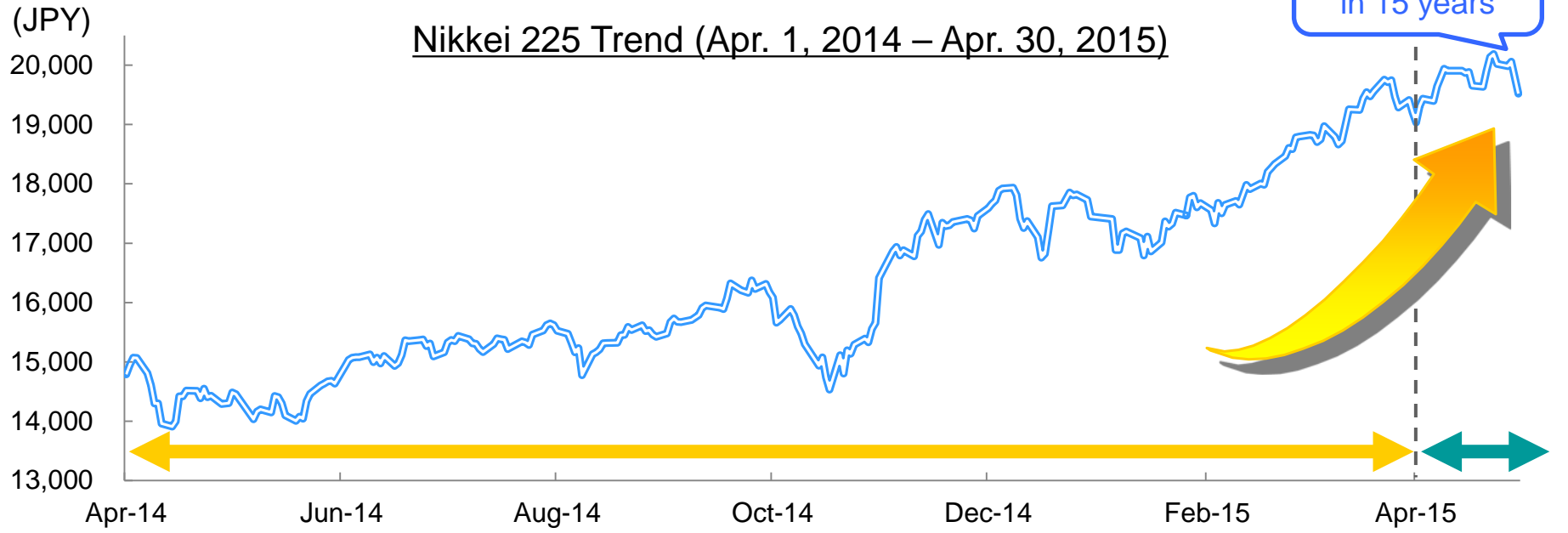
(In consultation with auditor regarding further details)

	<u>Last fiscal year</u>	<u>This fiscal year</u>
Revenue	X,XXX	X,XXX
Expenses		
Expense①	(x,xxx)	(x,xxx)
Expense②	(x,xxx)	(x,xxx)
Expense③	(x,xxx)	(x,xxx)
Total expenses	(x,xxx)	(x,xxx)
Share of the profit of associates and joint ventures accounted for using the equity method	X,XXX	X,XXX
Profit before income tax expense	X,XXX	X,XXX
Income tax expense	(x,xxx)	(x,xxx)
Profit for the year	X,XXX	X,XXX
Profit for the year attribute to		
Owners of the Company	X,XXX	X,XXX
Non-controlling interests	X,XXX	X,XXX

Operating revenue will change to "Revenue"

Upon eliminating the operating income item, profit before income tax expense will become a criteria for the financial results

1Q FY2015 (Apr. 2015 to Present) Conditions [SBI SECURITIES]



	Monthly average of FY2014	Apr. 2015
Operating income	JPY 2.9bn	JPY 3.2bn
	Monthly average of 1H FY2014	Monthly average of 2H FY2014
	Apr. 2015	
SBI SECURITIES' average daily trading value	JPY 396.4bn	JPY 486.8bn
		JPY 498.9bn
		(vs 1H FY2014 +25.9% vs 2H FY2014 +2.5%)

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

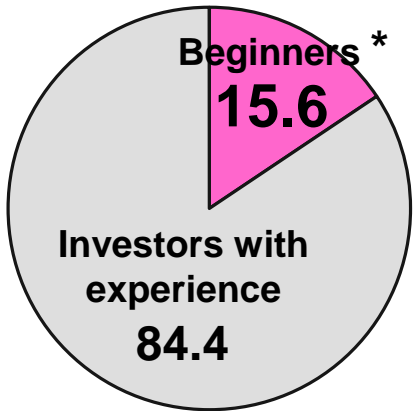
Comparison of Customer Attributes (as of the end of Dec. 2014)

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".

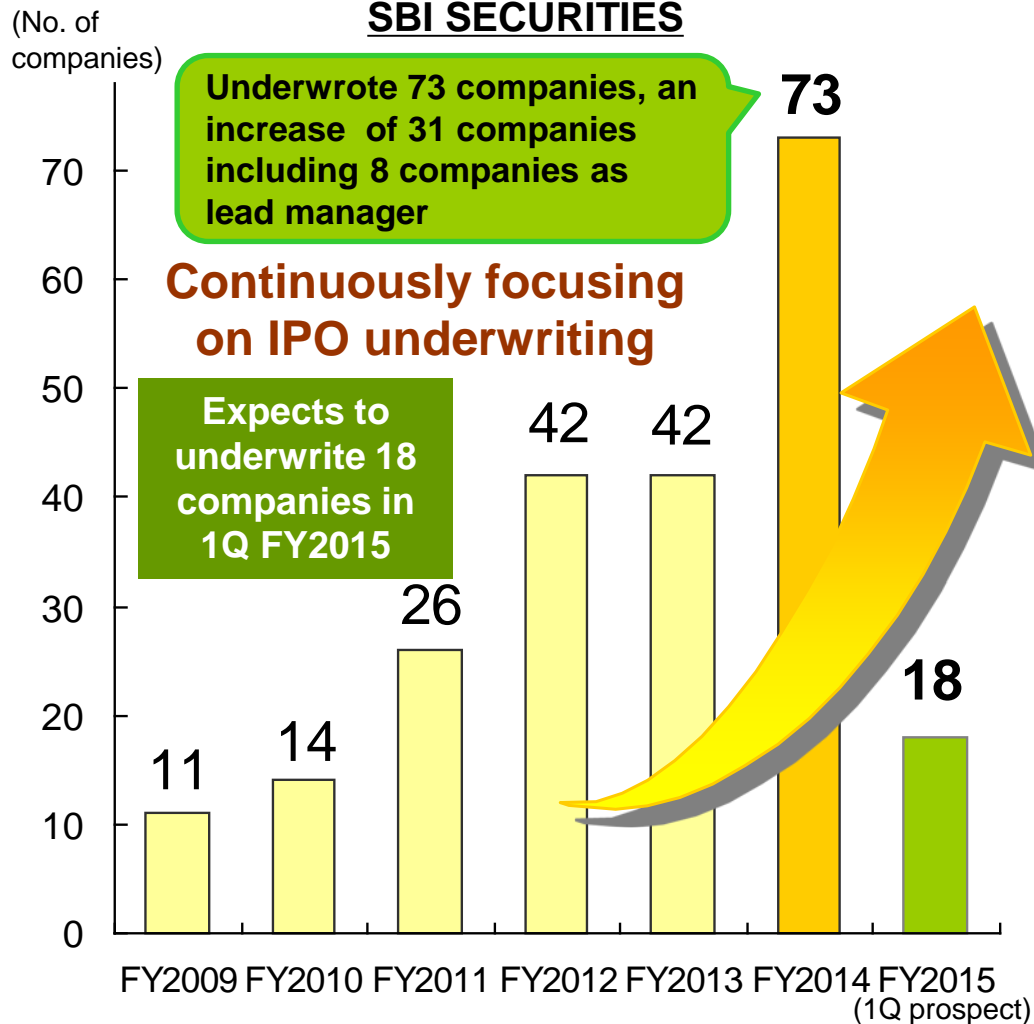
Source: JSDA

- 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%)

① SBI SECURITIES

SBI SECURITIES has Steadily Expanded Its IPO Underwriting Business, and Continuously Leads the Industry in the Number of IPOs Underwritten

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 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.

* 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.

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

Number of IPOs underwritten by SBI SECURITIES as lead manager

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015 (E)
Lead Manager	0	1	5	5	8	10+

Underwrote 8 companies as lead manager in FY2014

Forecasting a lead managed underwriting for over 10 companies 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
Apr. 24, 2015	Rentracks	TSE Mothers

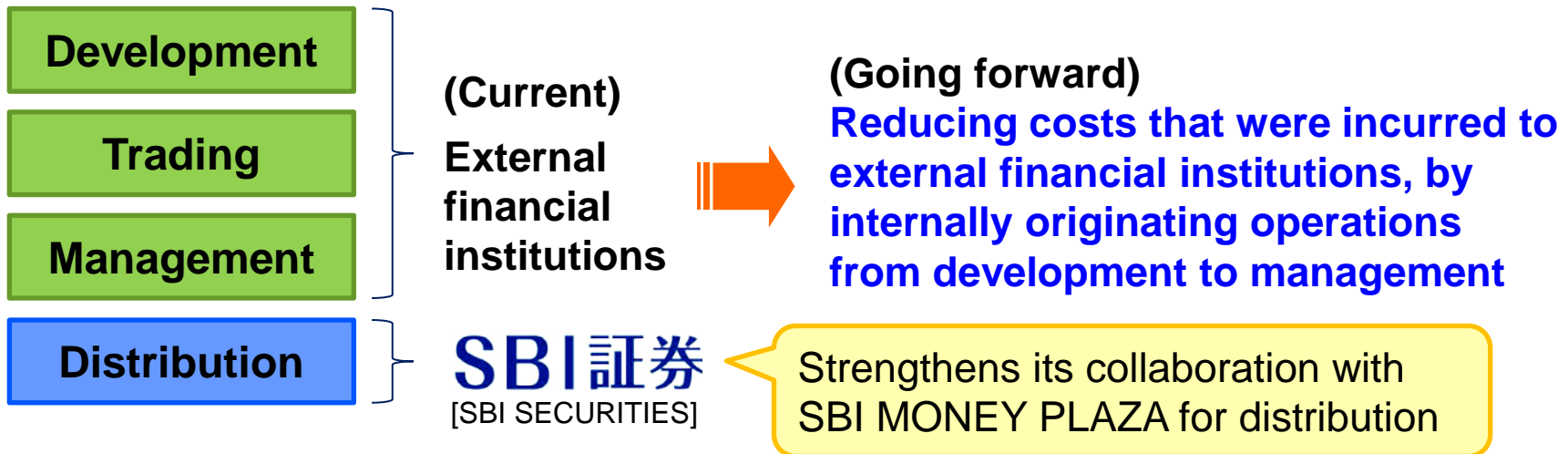
Already underwrote 1 company as lead manager in Apr. 2015



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 from third parties, endeavoring to reduce cost and share the benefits with 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)



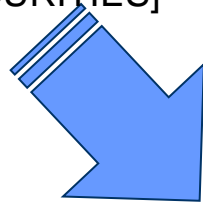
➔ Establishing the structure within the year, with plans to originate structured bonds equivalent to JPY 25bn next year

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



SBI SECURITIES estimates that the expenses which were paid to vendors will be decreased by approx. JPY 1.4bn per year

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

1Q FY2015 (Apr. 2015 to Present) Conditions [SBI Japannext]

Monthly average of FY2014
(Apr. 2014-Mar. 2015)

Apr. 2015

Japannext PTS's
average daily trading
value

JPY 104.8bn

Increase

JPY 108.3bn
(+3.3%)

Recorded monthly operating income in Apr. 2015 of approx. JPY 0.1bn, which significantly exceeded its target, an increase of approx. 14.6%, compared to the average monthly operating income of FY2014

By strengthening ties between SBI SECURITES and SBI Japannext, endeavoring to receive an approval for margin trading

1Q FY2015 (Apr. 2015 to Present) Conditions [SBI Liquidity Market, SBI FXTRADE]

■ SBI Liquidity Market

- ◆ In Apr. 2015, SBI LM recorded approx. JPY 1.1bn in operating revenue, an increase of +7.9%, and operating income before allocation of approx. JPY 0.9bn, an increase of +9.6%, compared to the monthly average of FY2014, respectively.

■ SBI FXTRADE

- ◆ Based on the allocated operating income, SBI FXT recorded a single month operating income of approx. JPY 0.2bn in Apr. 2015, an increase of +27.9%, compared to the monthly average of FY2014.

Currently, received the registration of a custodial trust company, which intends to safeguard the assets of trading participants associated with FX trading, for a business operation commencement in 2015



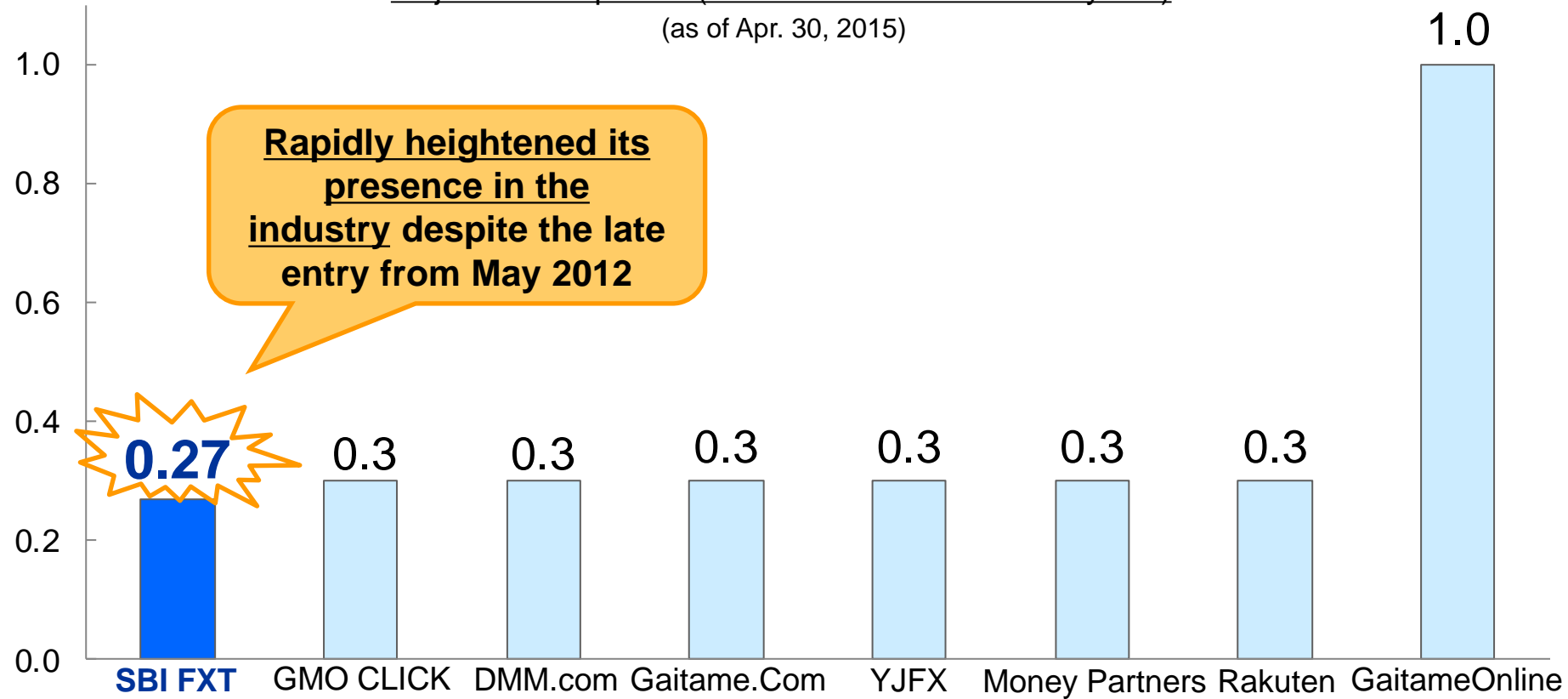
Demonstrating Superior Competitiveness Even in a Volatile Market Environment

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)

(Unit: JPY 0.01)

(as of Apr. 30, 2015)



Rapidly heightened its presence in the industry despite the late entry from May 2012

0.27

* 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 .

Airing New TV Commercials in Order to Acquire New Customers

Further heightening the recognition of SBI FXTRADE, which has rapidly promoted its presence in the industry, to endeavor to acquire new customers

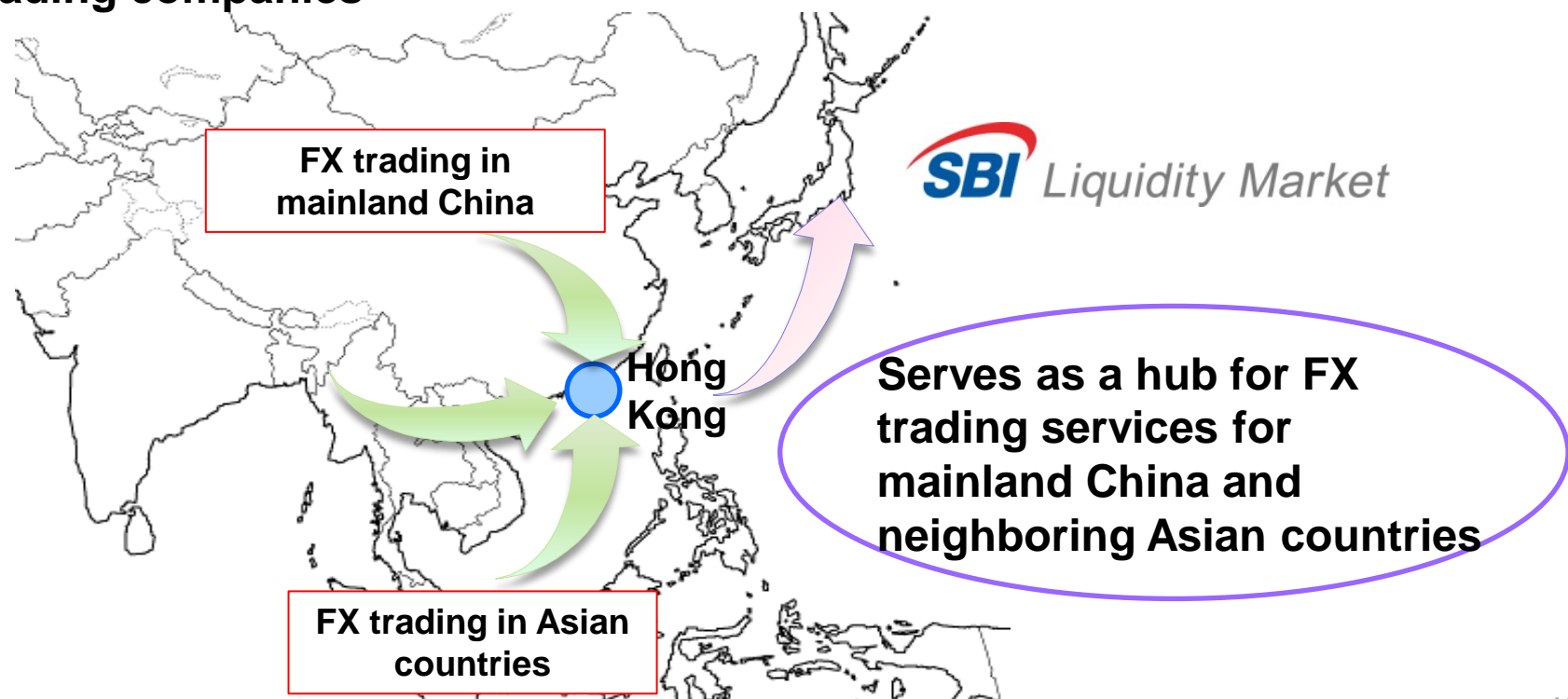
[Images of New TV Commercials]



Considering the Overseas Development of the FX-related Business in Asia in Order to Further Increase Liquidity

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



1Q FY2015 (Apr. 2015 to Present) Conditions [SBI Sumishin Net Bank]

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

- Deposits as of the end of Apr. 2015 approaching to JPY 3.7tn
- SBI Hybrid Deposits that exert synergies with SBI SECURITIES, increased to JPY 1,327.8bn, recording an historical high, owing to the backdrop of the buoyant stock market conditions (as of the end of Apr. 2015)

Monthly ordinary income for Apr. 2015 (non-consolidated, based on J-GAAP) exceeded the bank's target, while anticipating a significant increase in 1Q FY2015 results, compared to that of 1Q FY2014, namely JPY 1.9bn

Loans, primarily housing loans, are steadily increasing, as cumulative total of housing loans exceeded JPY 2.3tn on Apr. 23, 2015, after 7 years and 6 months since its launch






Preparations are progressing for the offering of “Flat 35,” a long-term fixed-rate product from this autumn, in order to expand its housing loans product offering

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

	Date of operation started	Deposit amount	Balance of loans	Number of accounts	Ordinary income/loss
SBI Sumishin (cons.)	<u>Sept. 2007</u>	 3,576.0	 1,748.9	2,308	 15.2
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.

Full-fledged Entry into the Credit Card Business

SBI Sumishin Net Bank's Acquisition of SBI Card (Announced on Apr. 21, 2015)



- 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, and strengthened the Group company activities to cooperate in areas such as marketing strategies.

Along with improving revenue sources through the enhancement of systems and functions as a subsidiary of the bank, promoting a full-scale acquisition of new customers.

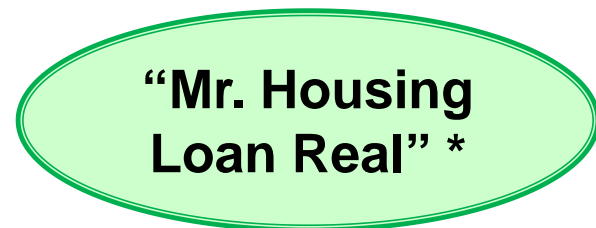
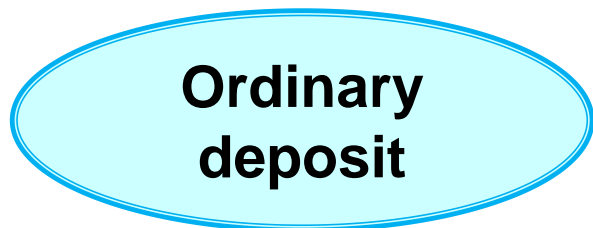
Endeavoring to Further Improve Profitability in Banking Business with the Start of Bank Agency Business at SBI MONEY PLAZA



[SBI MONEY PLAZA]
Start of bank agency business
from Mar. 3, 2015



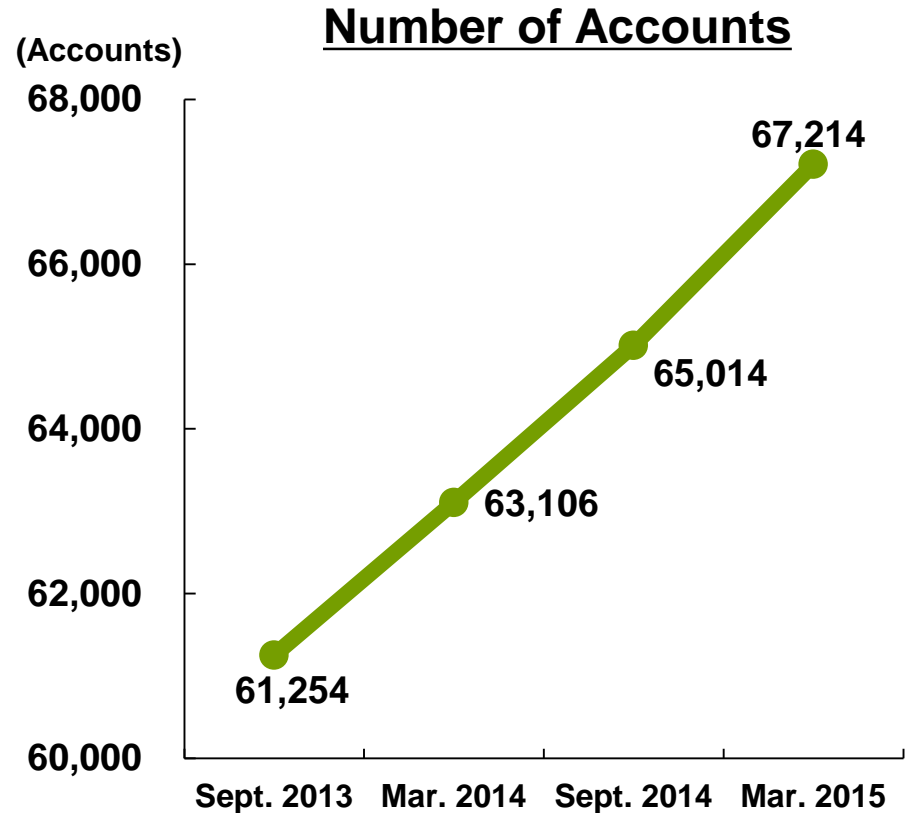
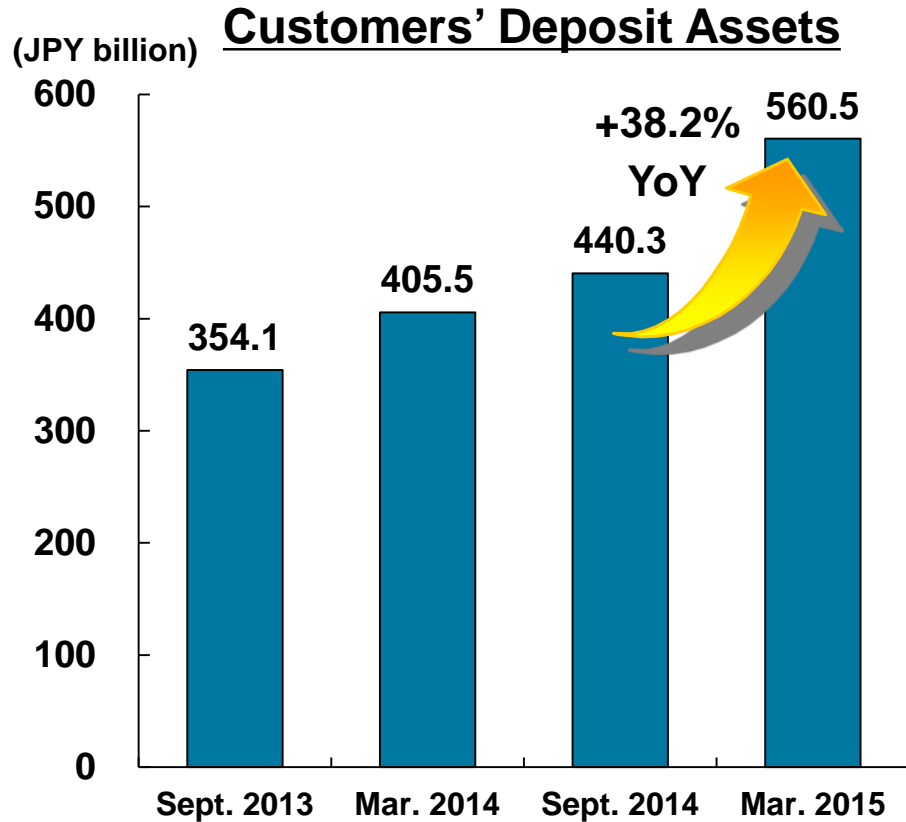
[SBI MONEY PLAZA's new offerings]



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

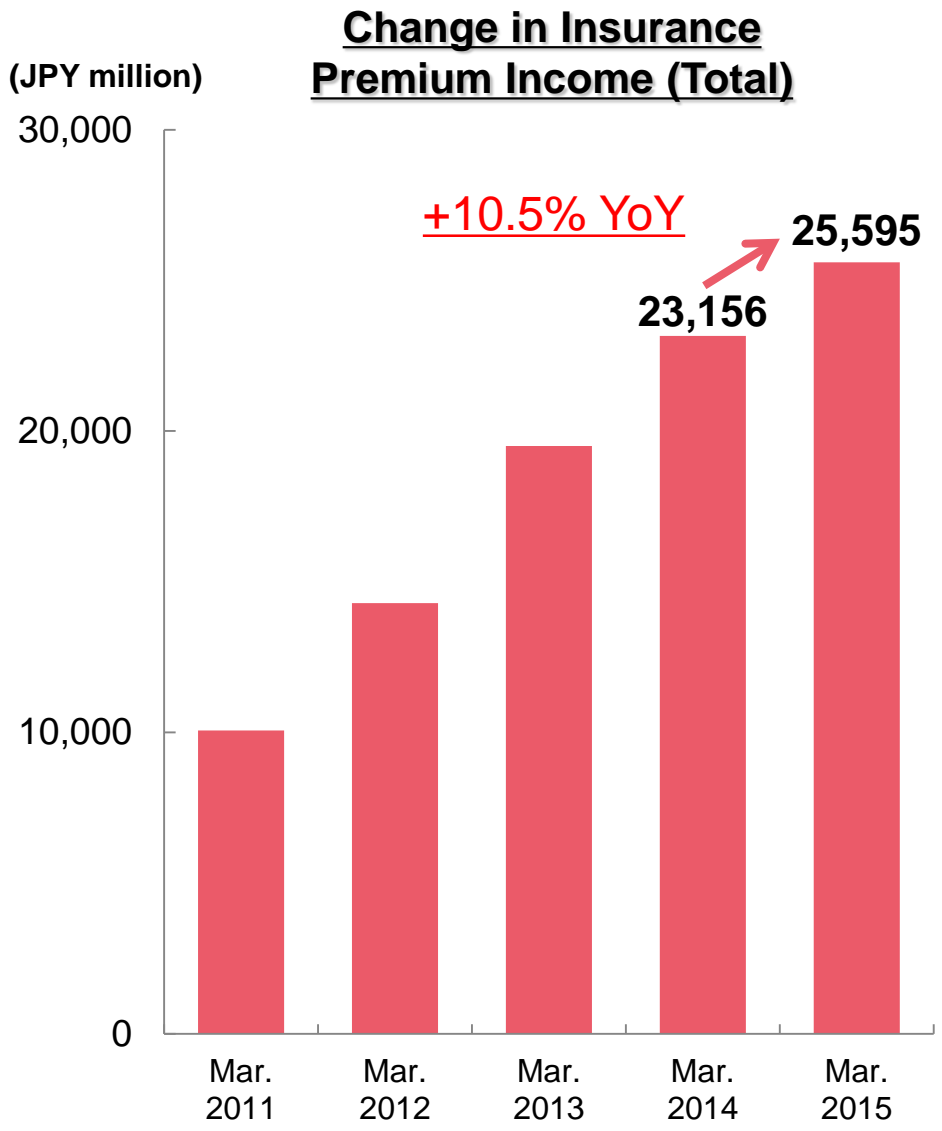
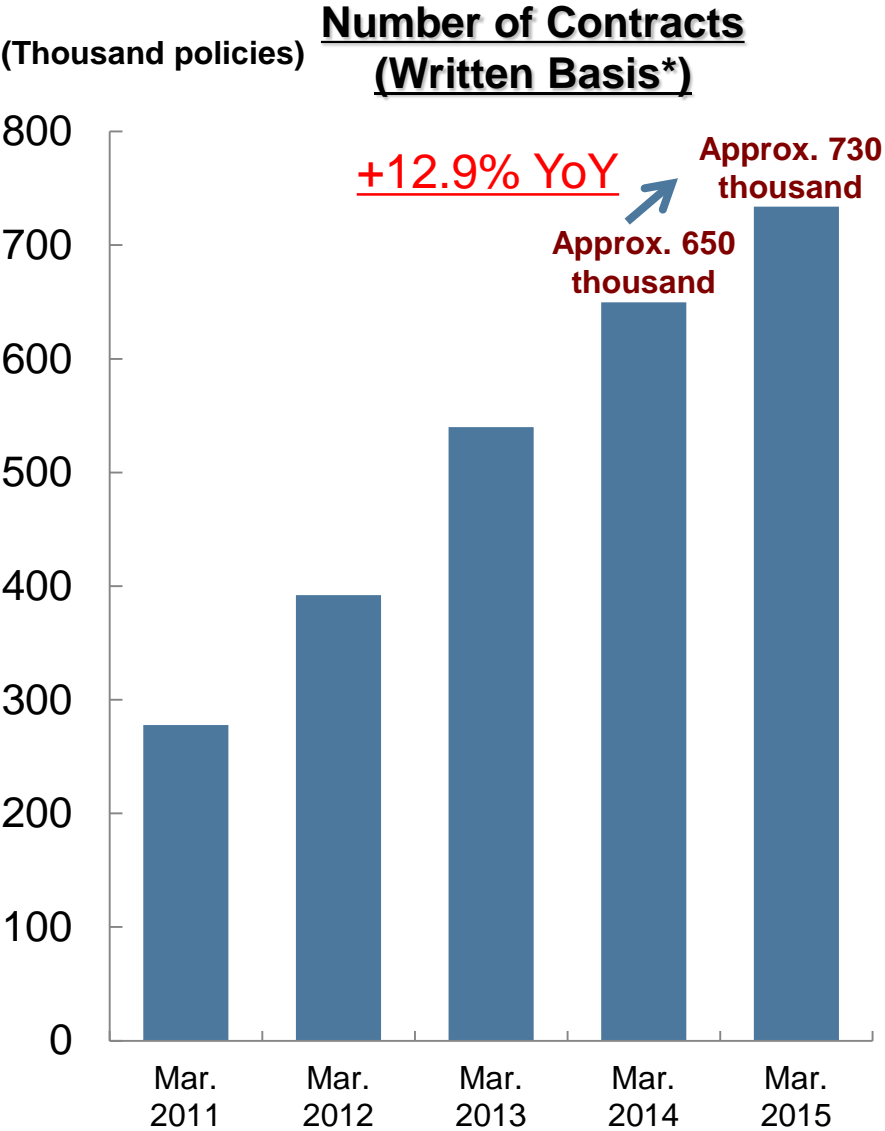
In order to further improve profitability, SBI Group's financial ecosystem continues to be fully utilized, such as with the thorough pursuit of synergies with SBI MONEY PLAZA

SBI MONEY PLAZA's Customer Base Rapidly Increasing



- **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**

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



* 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 for 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 dramatic overhaul of reinsurance and outsourcing



[1Q FY2014]

Achieved its first quarterly profitability

FY2015 IFRS basis consolidated results appears most certainly to be profitable

Change in Recent SBI Insurance's Auto Insurance Premium Income

Auto Insurance Premium Income

(Unit: JPY million)

	2014	2015*	YoY change
Apr.	2,614	3,011	15.2%

[Reference]

(Unit: JPY million)

	2013	2014	YoY change
Apr. – June	5,797	6,566	13.3%
July – Sept.	5,696	6,210	9.0%
Oct. – Dec.	5,767	6,305	9.3%

	2014	2015	YoY change
Jan. – Mar.	5,896	6,513	10.5%

* The figure for Apr. 2015 is based on the preliminary figure

Continue to Thoroughly Pursue Customer Benefits through Overwhelmingly Low Insurance Premiums

In the Jan. 2015 issue of Diamond Weekly magazine, an auto insurance premium ranking was announced, where SBI Insurance was ranked No.1 for the representative generations of: 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	SBI Insurance #	40,200
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.

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

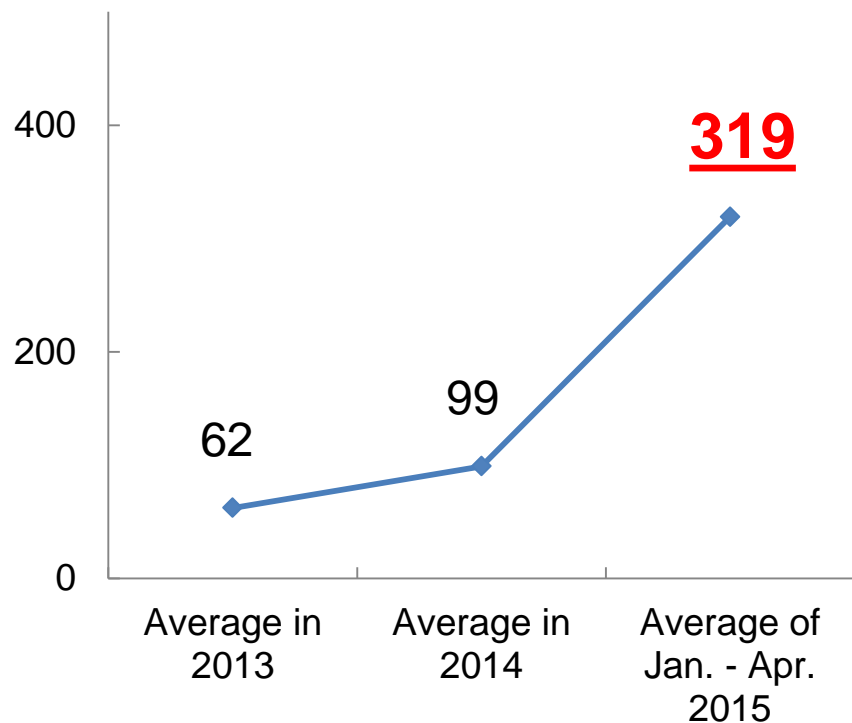
Change in Monthly Increase in the Number of Small-amount, Short-term Business Holding Contracts

SBI 少額短期保険 [SBI SSI *]

[Earthquake indemnity insurance]

[Monthly increase in the number of holding contracts]

(Number of contracts)



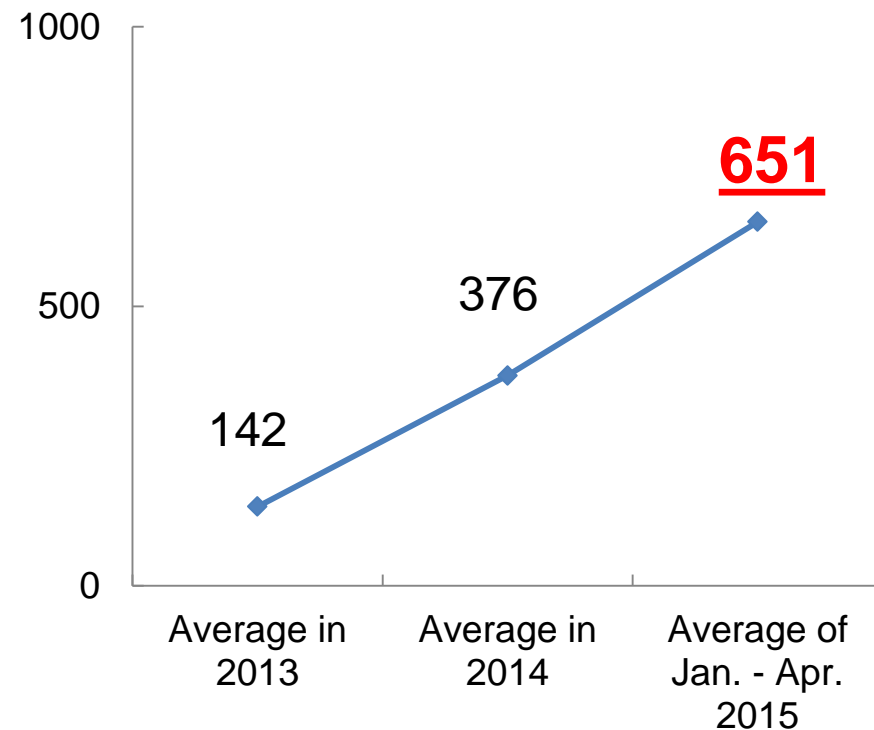
SBI いきいき少額短期保険 [SBI IKI IKI SSI]

[SBI IKI IKI SSI]

[Death insurance, Medical insurance]

[Monthly increase in the number of holding contracts]

(Number of contracts)

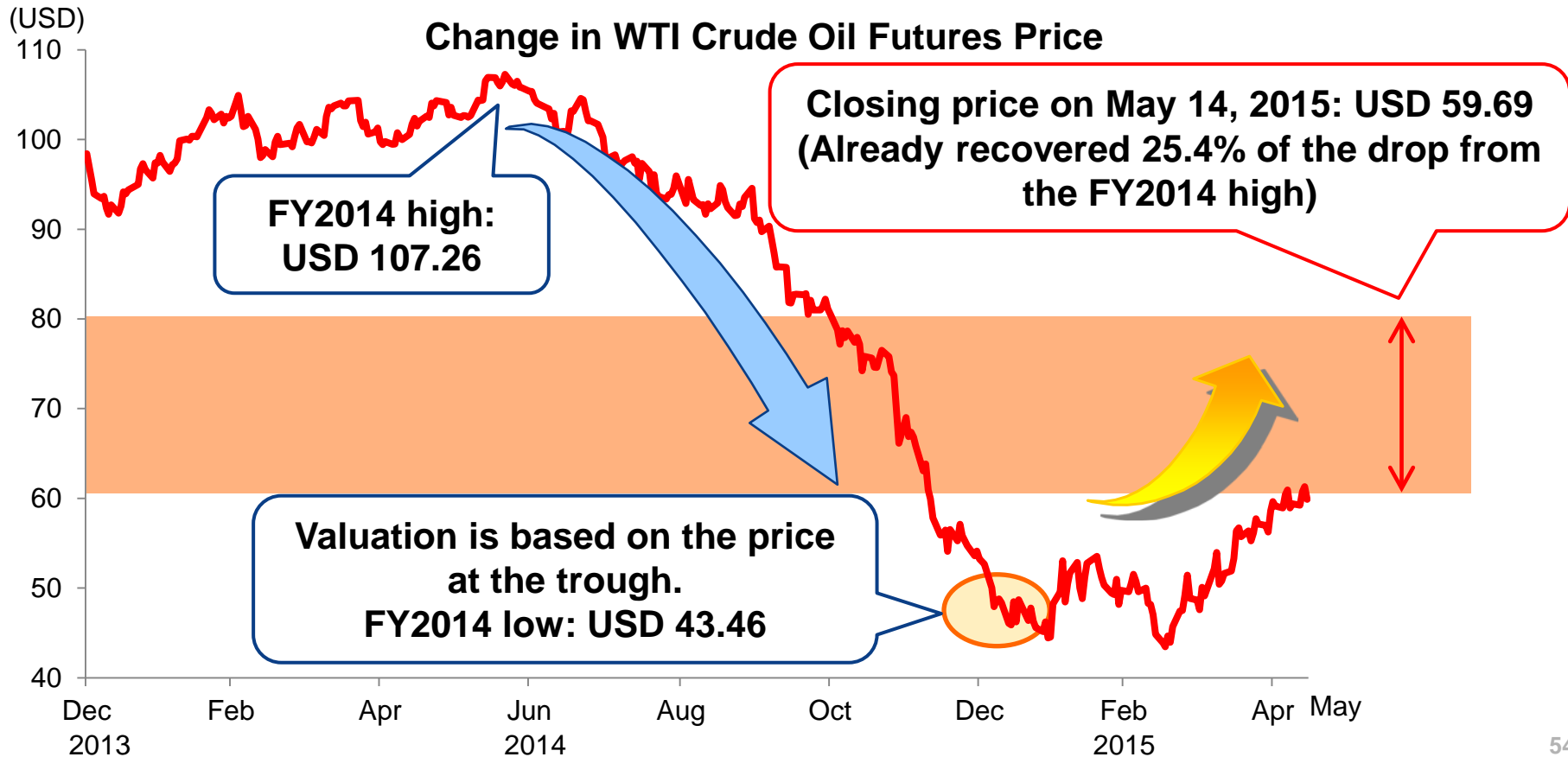


* SSI stands for "Small-amount, Short-term Insurance"

* The figures of the graph are rounded to the nearest integer

Crude Oil Prices, a Variable Factor for Fair Value Evaluation, in a Recovery Trend

- 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 in FY2014
- Crude oil prices are seen as recovering to the USD 60-70 range for the time being, and **consequently the related stocks are expected to recover as well, resulting in the likelihood of a proportionate increase in the fair value evaluation.**



Structural Reinforcement of the Venture Capital Business in Every Value Chain

[The Venture Capital Business Value Chain]

Investment

Focused investment in companies that lead 21st century growth industries informed by SBI's keen judgment

Investment

Nurturing

Provision of thorough support for value enhancement of investee companies as Japan's leading full hands-on venture capital company

Development

Exit

IPO or M&A exits after achieving satisfactory value enhancement. Playing a key role in new industry growth as a new type of investor that earns capital gains while fostering next-generation leading growth companies

EXIT

Toward further value expansion

Fund-raising

Fund-raising from investors in Japan and abroad and development of vehicles for creating new next-generation industries

Fund-raising

SBI証券

[SBI SECURITIES]

SBI マネープラザ

[SBI MONEY PLAZA]

Cooperate

Cooperate

SBI証券

[SBI SECURITIES]

SBI Group's overseas bases

Venture Capital Business Continues to Raise Funds① (Domestic)

- Domestically, SBI Investment established a JPY 15bn flagship fund that targets next-generation companies
- This provides SBI Investment with fee income as the fund operator
- Management fee: **approx. JPY 380m per year** (2.5% of total capital commitment)

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

Establish funds larger than the above

Preparing establishment of three funds of similar scale during FY2015

An establishment fee of 1% and management fee of 2.5% of committed capital are planned

Venture Capital Business Continues to Raise Funds② (Overseas)

- 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.**

Current No.1 Funds

(Malaysia)

PNB-SBI ASEAN Gateway Fund Ltd. P.
Commitment amount:
approx. JPY 5.3bn

(Brunei)

SBI Islamic Fund (Brunei) Limited
Commitment amount:
approx. JPY 6.2bn

(Taiwan)

SBI & Capital 22 JV Fund,L.P.
Commitment amount:
approx. JPY2.4bn

Will receive dividend for USD 4.35m

Preparing Establishment of No.2 Funds

(Malaysia)

Target commitment amount:
maximum approx. JPY 18.0bn
Establishment fee: 1%
Management fee: 2%

(Brunei)

Target commitment amount:
maximum approx. JPY 24.0bn
Establishment fee: 1%
Management fee: 2%

(Taiwan)

Target commitment amount:
maximum approx. JPY 12.0bn
Establishment fee: undecided
Management fee: 2.5%

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

* Converted at KRW 1 = JPY 0.11

Established SBI Finansa Private Equity Partners, a Joint Investment Company with Finansa, a Comprehensive Financial Group in Thailand



The SBI Group and the Finansa Group will each own 50% of the Joint Venture Company and the company's main investment targets of the Joint Venture Company will be unlisted companies in Thailand, Vietnam, Myanmar, Cambodia, and Laos. In the future, the Joint Venture Company will endeavor to establish a private equity fund with capital commitments of at least USD 50 million (approximately JPY 6 billion) by seeking investments from third parties.

Finansa Group:

A comprehensive financial group having under its aegis investment banking, securities, and asset management companies. Finansa has been fully engaged in the fund management business since 1994 and has an extensive track record in private equity investments in Thailand and Vietnam

Strategic Alliance with Israel's Vertex

(Announced on Sept. 16, 2014)



**Vertex Venture
Capital**

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

* Converted at USD = JPY 106.80

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

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

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

Completed Business Revitalization of SBI Savings Bank of South Korea

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.

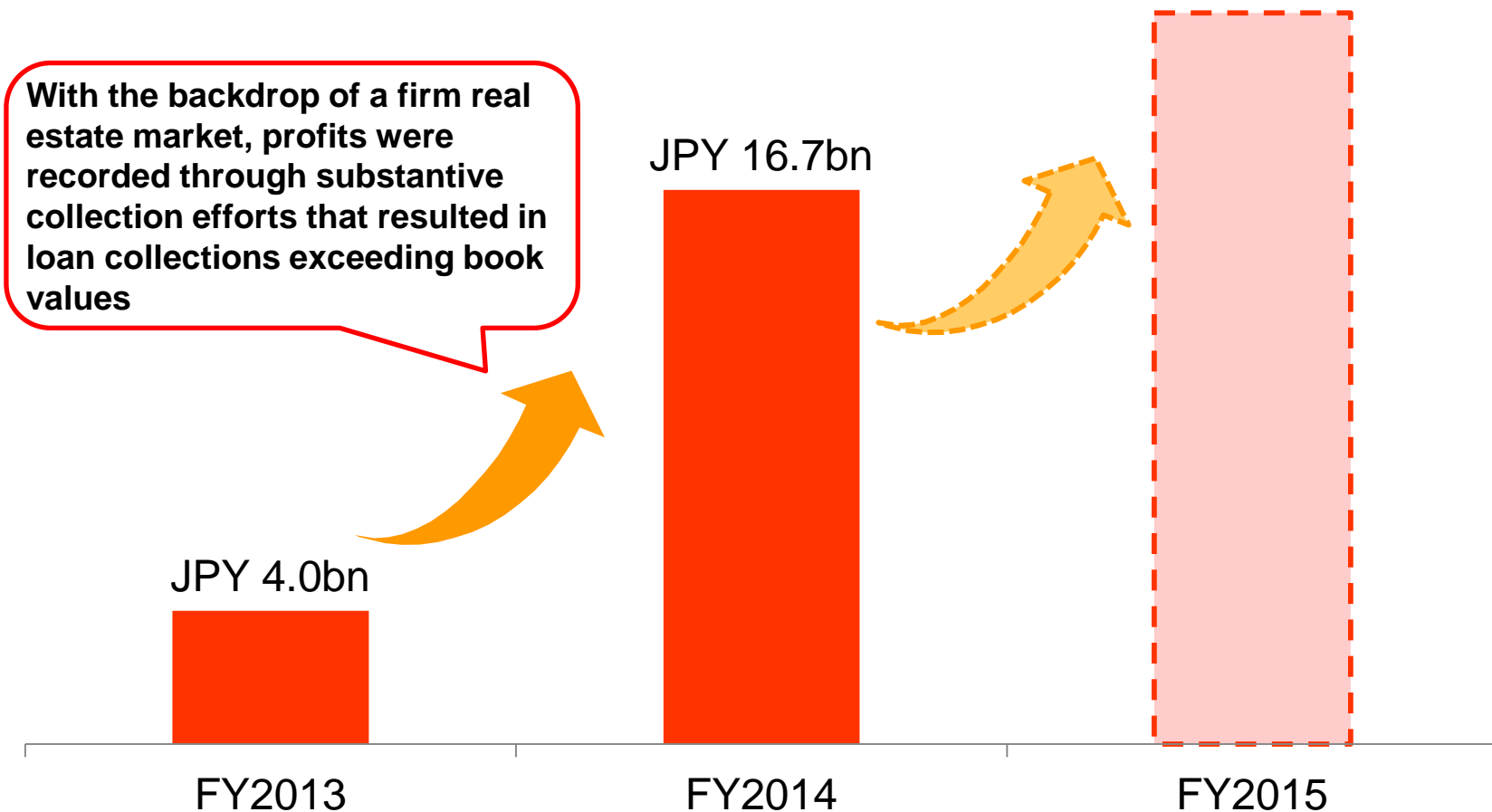
Change in Capital Adequacy Ratio (K-GAAP basis)

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)

The Results Based on IFRS have Remained Positive since the Beginning of the Consolidation in Mar. 2013, and Growth Efforts will be Made to Achieve a Targeted Profit Before Income Tax Expense of JPY 20bn

Change in profit before income tax expense since consolidation (SBIH's consolidated accounts basis; IFRS)



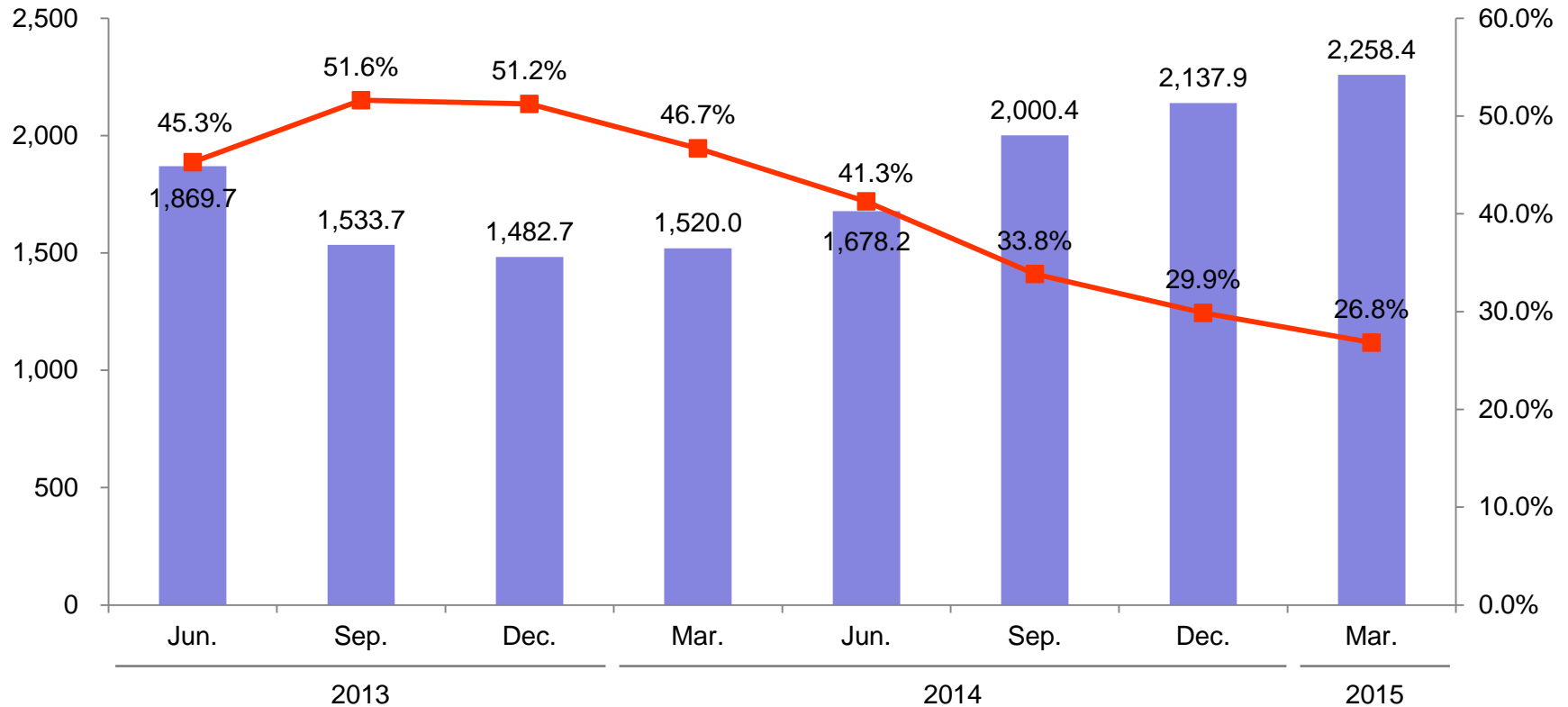
SBI Savings Bank's Loan Quality and Quantity Continues to Improve

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

Balance of Performing Loans and Delinquency Ratio

(KRW billion)

Balance of performing loans (left axis) Delinquency (right axis)



* Balance of performing loans is based on K-GAAP

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

FY2015 Income Increasing Factors for Biotechnology-related Business



Plans to receive an upfront fee of USD 20m in early August

Regarding QPI-1002(a drug to treat Kidney Transplantation (DGF)), one of SBI Biotech's pipeline drugs, the renewal of Novartis Pharmaceuticals' license option for QPI 1002 was 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.



Out-licensing in the field of health foods

Discussing out-licensing with certain domestic and overseas companies such as food product manufacturers, toward an agreement conclusion in early July

An earning driver for SBI Pharmaceuticals to achieve profitability as soon as possible



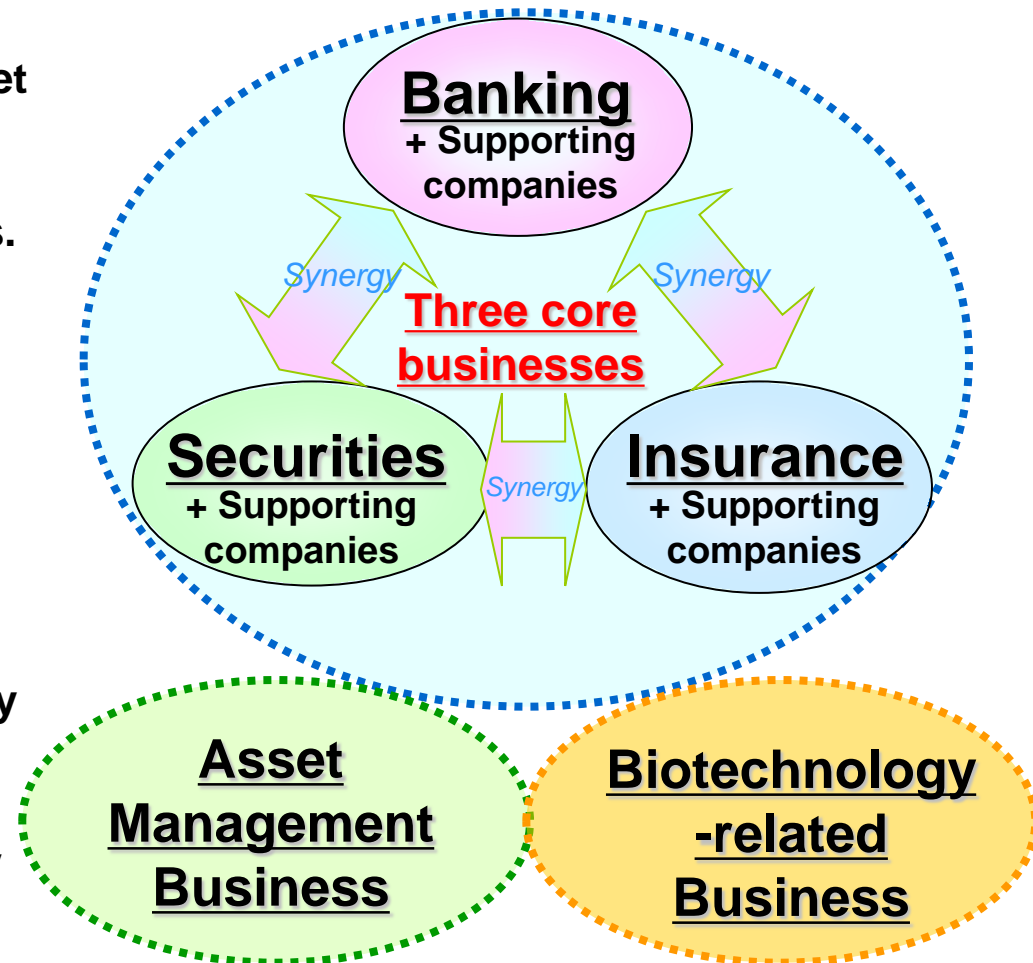
Preparations underway for an Aug. launch of a new "food with function claims" product (targeting people with high blood sugar)

(3) Continued promotion of business "Selection and Concentration"

Basic “Selection and Concentration” Policy

Basic 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’s.
- 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 over JPY 45bn through sales of subsidiaries, including partial sales since Mar. 2012

Sales of real estate holdings

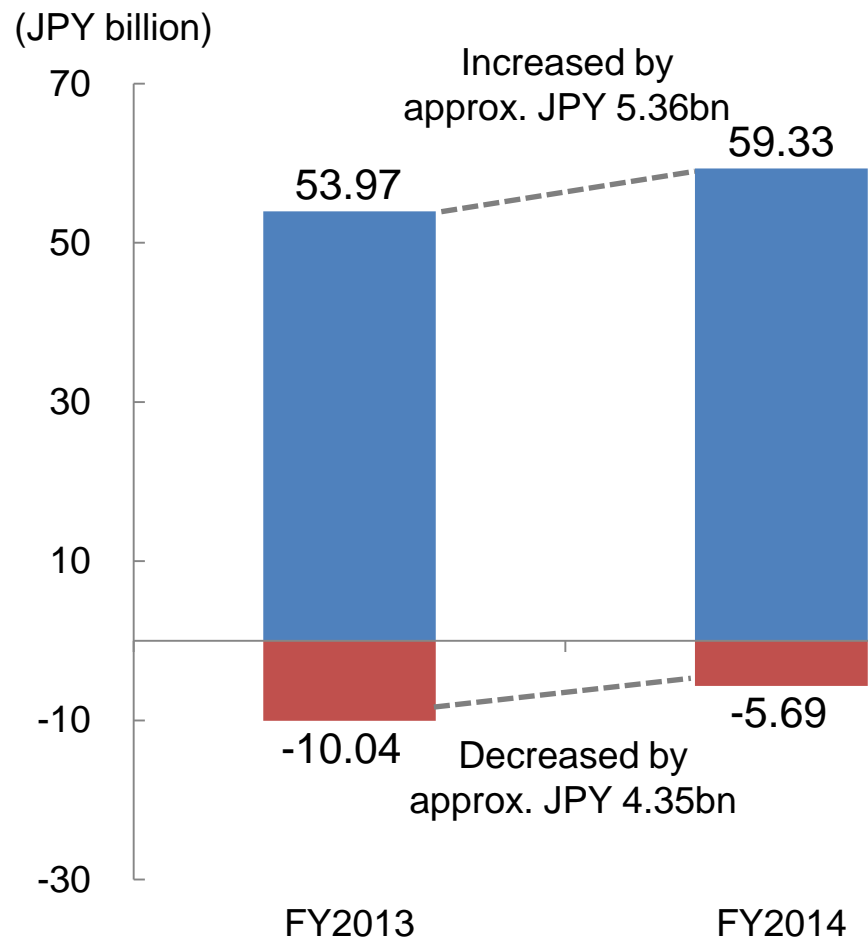
Recovered approx. JPY 16.6bn in FY2014 through the sales of real estate holdings

SBI Group's Profitability Enhancement Realized



Compared to FY2013, the total sum of operating income of profitable companies/divisions of the major business entities (J-GAAP) increased by approx. JPY 5.36bn, whereas the total sum of operating loss of unprofitable companies/divisions was reduced by approx. JPY 4.35bn.

Change in the total sum of operating income/loss of the major Group companies/divisions



Major unprofitable entities and total reduction of deficit in FY2014
SBI Insurance: approx. JPY 0.6bn (reduced by approx. 3.4bn)

→ Improving steadily toward full-year profitability in FY2015

SBI Card: approx. JPY 1.2bn (reduced by approx. 1.9bn)

Target further growth under the control of SBI Sumishin Net Bank

(Will assign shares to SBI Sumishin Net Bank in Oct. 2015)

→ Recovered JPY 4.0bn, and is expected to improve by a few hundred million JPY in profit for the period

In addition to the above, SBI Pharmaceuticals (a deficit of approx. JPY 1.2bn in FY 2014) is expected to achieve full-year profitability through licensing technology for health foods in FY2015

Continuing Promotion of Business “Selection and Concentration” in This and Next Fiscal Year

Transfer of business

- Will transfer SBI Card to SBI Sumishin Net Bank (announced in Apr. 2015; share transfer will be executed in Oct. 2015)
 - ➔ Recovering JPY 4bn, and a positive improvement effect of several hundred million of JPY is anticipated

Considered sales

- Sales of CEM Corporation (Real estate secured loans), NARUMIYA INTERNATIONAL (the manufacture, processing and sale of children’s wear and related products), and Autoc one (support for automobile purchaser)
 - ➔ Endeavoring to recover JPY 10-plus bn in total
- Additionally, considering sales of Phnom Penh Commercial Bank (Cambodia), of which SBI Group’s shareholdings is at 47.6% (shareholdings including dilutive shares is 91.0%)
 - ➔ On the basis of a sale of at least USD 100m, will recover approx. JPY 10bn, for a potential profit of approx. JPY 4bn
- Expected sales of real estate holdings will potentially result in a recovery of JPY 4.2bn

Subsidiaries preparing for initial public offering

SBI Biotech, SBI MONEY PLAZA and SBI Japannext

Phnom Penh Commercial Bank (Cambodia), a Candidates for a Sale



Cambodia: Phnom Penh Commercial Bank



ធនាគារ ភ្នំពេញ ពាណិជ្ជ
Phnom Penh Commercial Bank

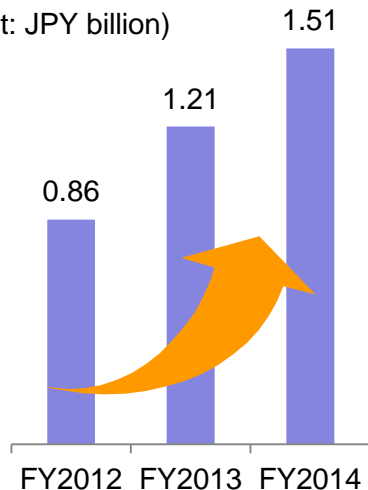
SBI Group's shareholding: 47.6% *1 (As of the end of Mar. 2015)
SBI Group's shareholding, including dilutive shares: **91.0%**

- Invested in Phnom Penh Commercial Bank from the time of opening 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

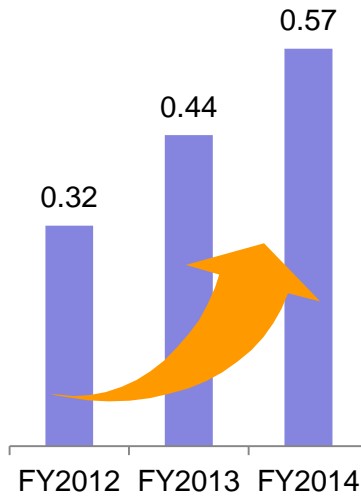
[Financial results *2]

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

In Addition to the Generation of Cash Flow, Reducing Interest Expense through Refinance and Repayment

Refinance

- In order to reduce interest expense, preparations are progressing toward the refinancing of interest bearing debt at lower interest rates, which is the debt that was incurred in the past as a means to establish the business structure
→ The refinancing will potentially result in a positive effect of several hundred millions of JPY

Repayment

- Additionally, considering further interest expense reduction through the allotment of funds recovered through the "Selection and Concentration" process, as well as utilizing a portion of the acquired profits toward the repayment of interest bearing debt

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.

3. What is the near-term strategy for the insurance-related business with regard to the start of “SBI Life Insurance”?

“SBI Life Insurance”, the SBI Group’s Life Insurance Company, is Established

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



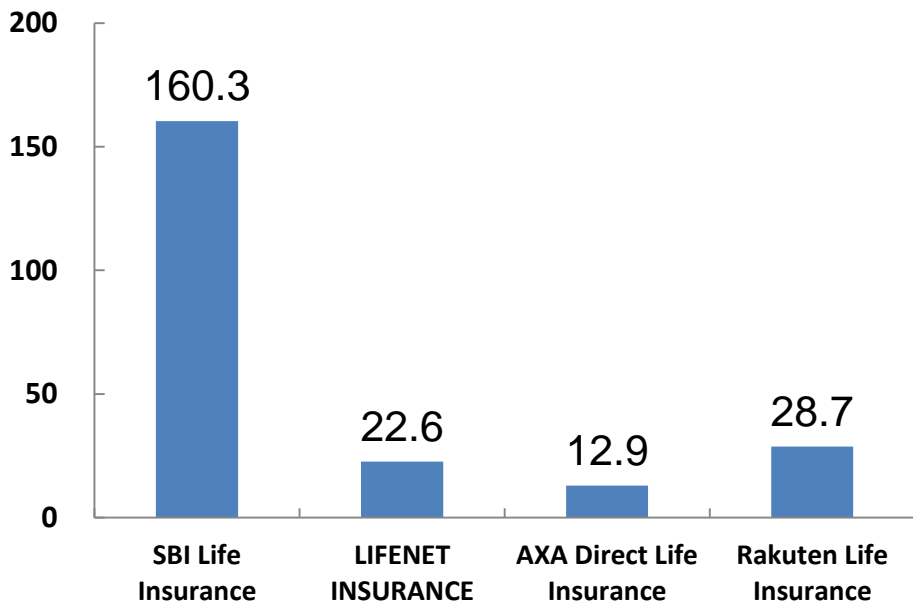
[SBI Life Insurance]

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

- About SBI Life Insurance

Comparison of total assets
(As of the end of Dec. 2014)

(JPY billion)



- Holds more than 110 thousand in-force life policies as of Mar. 31, 2015
- Ceased writing new policies from Feb. 2010, and has since dedicated their resources to support and conserve in-force life policies
- Its solvency margin ratio is 1,136.6% (as of Dec. 31, 2014), which is trustworthy for their payment ability

SBI Life Insurance Implements Various Measures to Resume the Procurement of New Contracts

- Enhance cost efficiency by relocating the office and reviewing personnel expenses, etc.
- Organizing a sales structure to resume the procurement of new contracts
- Initiating a recruiting process to prepare for the resumption of the procurement of new contracts
- A company-wide project team inaugurated for product development
- Research and develop personalized new products more suitable for the digital age

Although new costs will be incurred for the development of new products and the system development for new underwritings, the profit before income tax expense (based on IFRS) for FY2015 is expected to significantly exceed that of the two month period after the consolidation in FY2014 (JPY 0.55bn), with additional marketing expense for new contract acquisitions to be incurred after FY2015

Impact on SBIH's Consolidated Results for Previous, Current and Following Fiscal Years

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	

In accordance with the IFRS accounting standard, fair value measurement of government bonds is performed only at the time of acquisition and will not be performed hereafter. In addition, the interest rate used when insurance liabilities are first recognized continues to be used unchanged. Accordingly, the impact of rising interest rates is limited.

Net asset

JPY 11,971m

—) Acquisition cost*

JPY 9,963m

JPY 2,008m



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.)

Change in the Numbers of Holding Contracts of the Top Small-amount, Short-term Insurance Companies

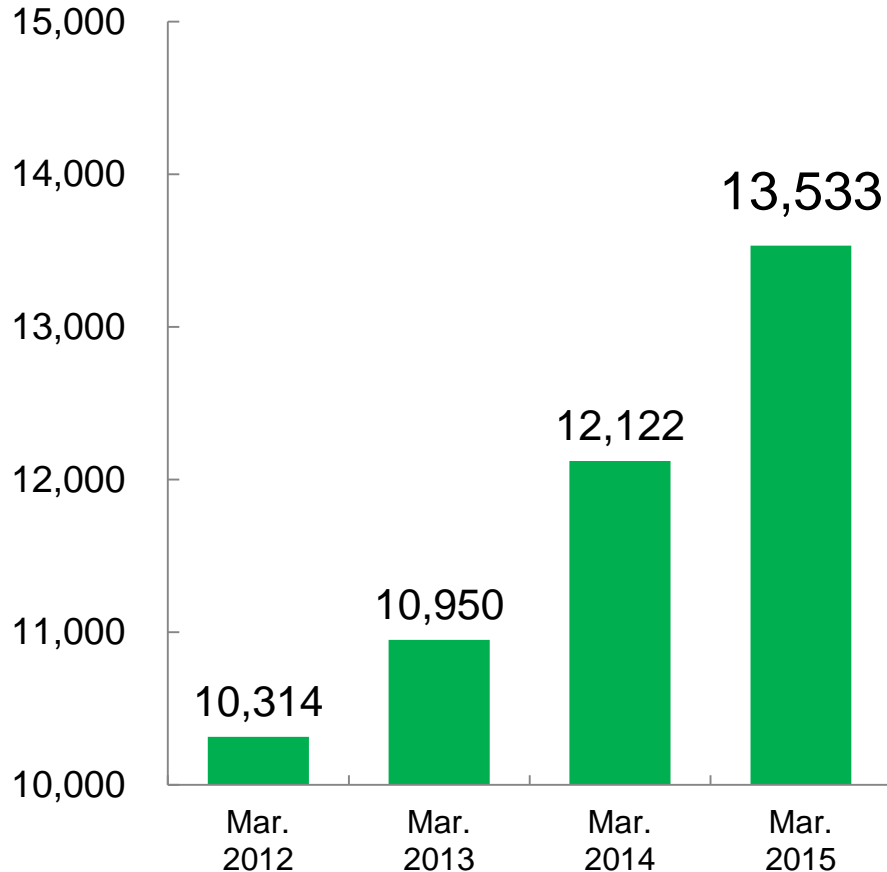


[SBI SSI] (Acquired in Mar. 2012)
[Earthquake indemnity insurance]

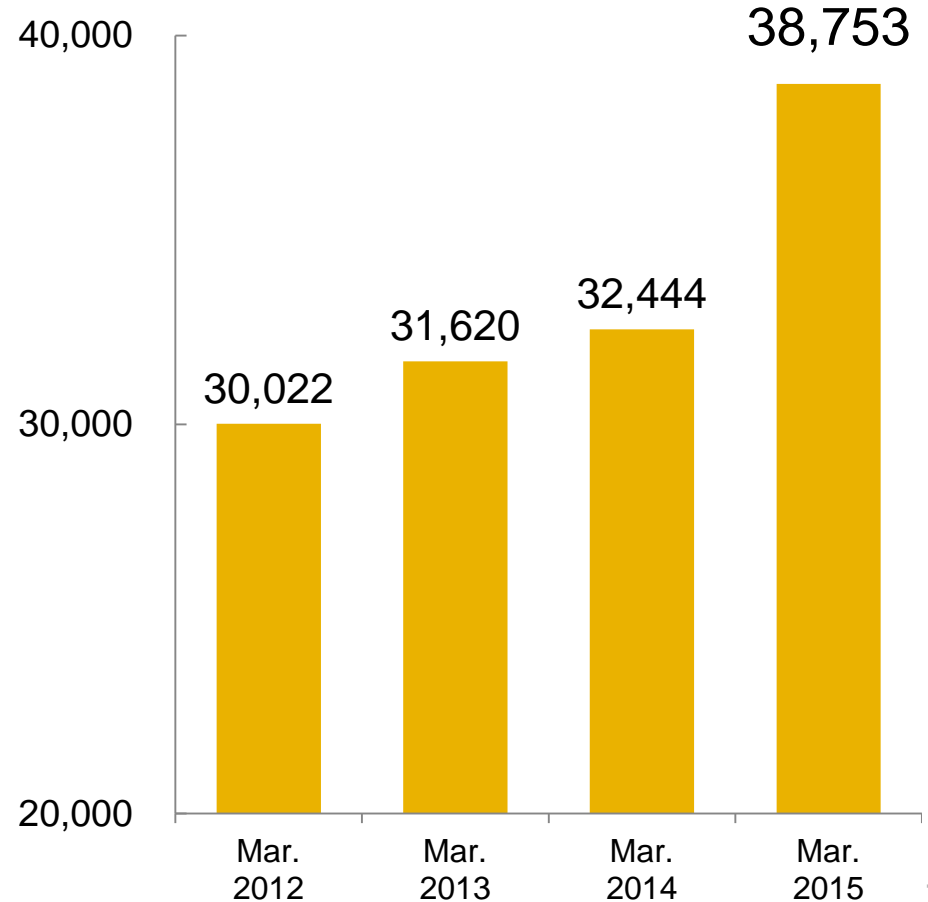


[SBI IKI IKI SSI] (Acquired in Mar. 2013)
[Death insurance, Medical insurance]

(Contracts)

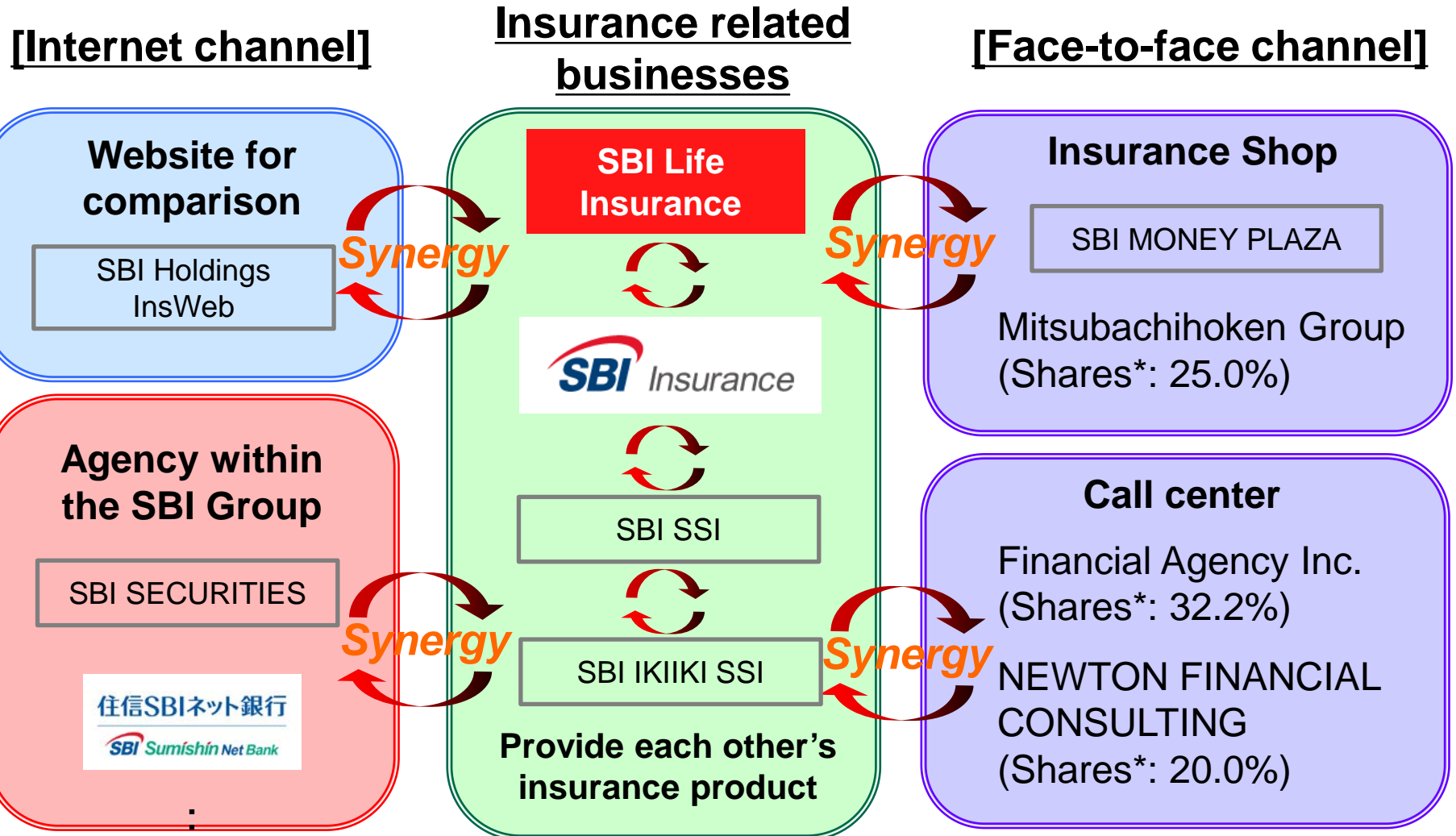


(Contracts)



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)

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



By aggregating the reinsurance premiums paid to external reinsurance companies by the insurance company subsidiaries to the newly established reinsurance company, endeavoring to reduce the Group's total reinsurance premiums paid to external sources

➤ 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 Life Insurance]



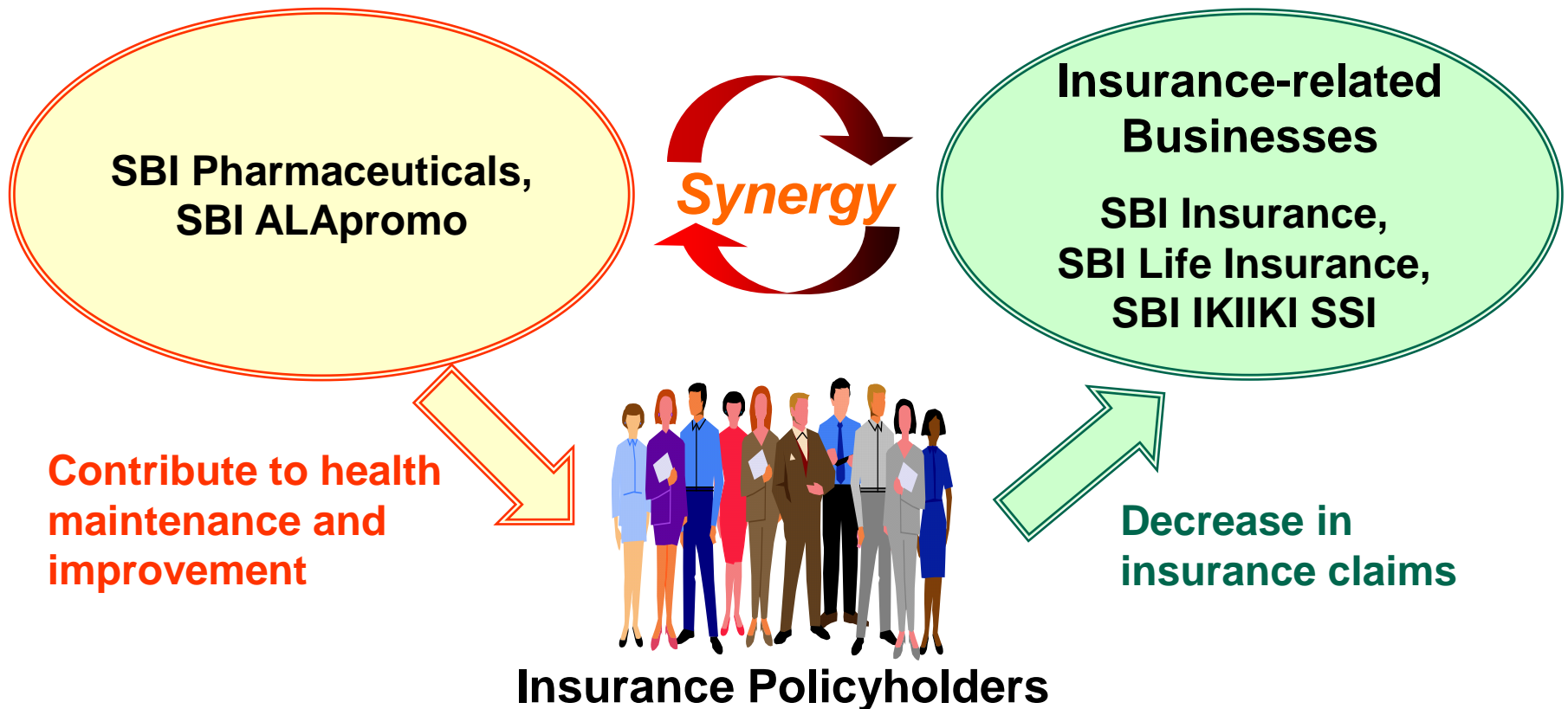
[SBI SSI]



[SBI IKIIKI SSI]

Synergy of 5-ALA Related Business and Insurance-related Businesses

As the 5-ALA Related Business contributes to the health of the insurance policyholders, the insurance companies may reduce insurance payouts. Additionally, SBI will be able to create a possible win-win situation for both policyholders and the SBI Group



Increase in AUM through the addition of SBI Life Insurance as a subsidiary

Owing to the addition of SBI Life Insurance as a Group subsidiary company, the three institutional investors of securities, bank and insurance were completed, dramatically increasing the AUM

SBI Group's Institutional Investors

Insurance Holding Company

SBI証券
[SBI SECURITIES]

<Securities>

SBI 生命
[SBI Life Insurance]

SBI Insurance

SBI いきいき少額短期保険
[SBI IKI IKI SSI]

SBI 少額短期保険
[SBI SSI]

<Insurance>

住信SBIネット銀行

SBI Sumishin Net Bank

<Bank>

Enhancement of asset management performance of each company will be essential

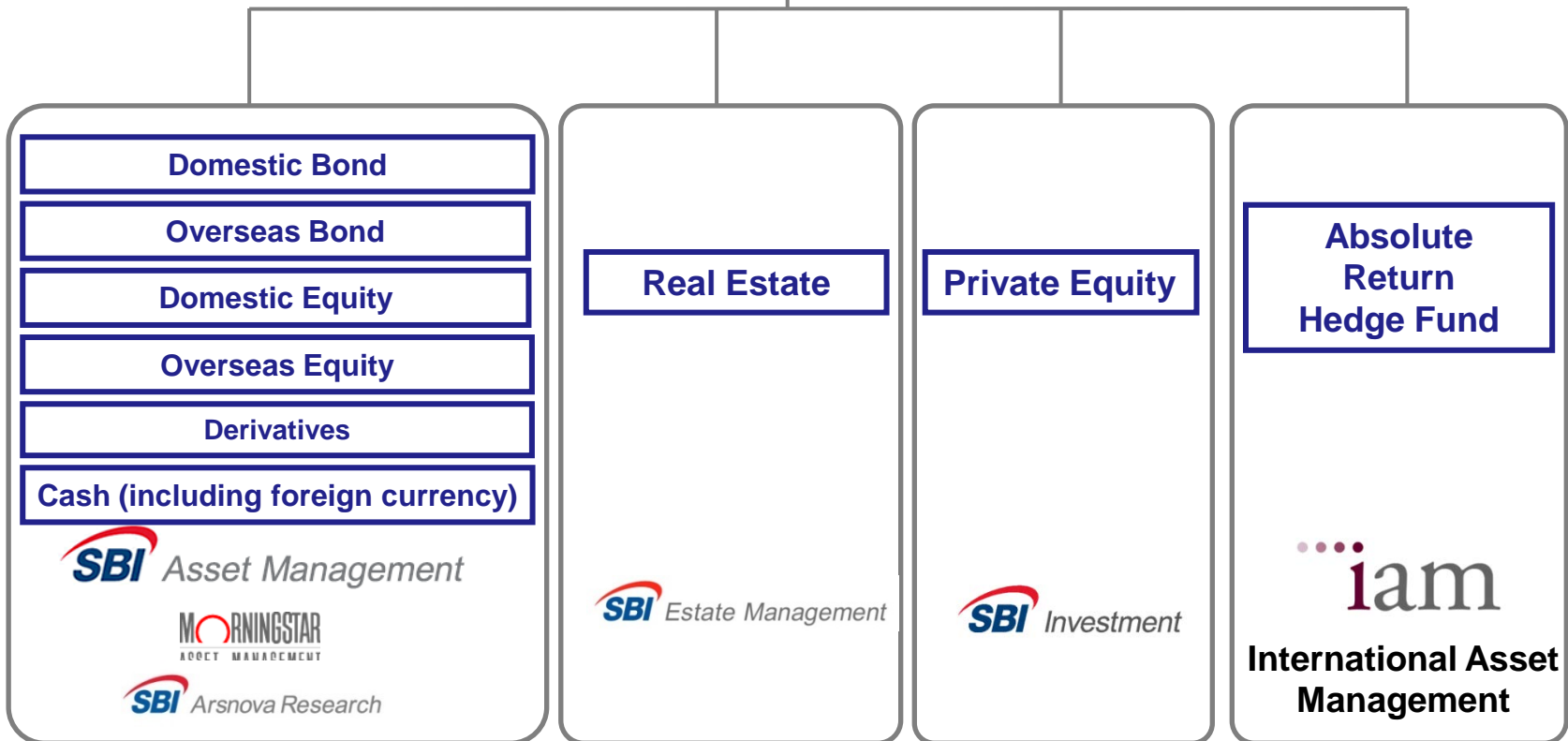
Establishment of a Company Presiding over Asset Management

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)

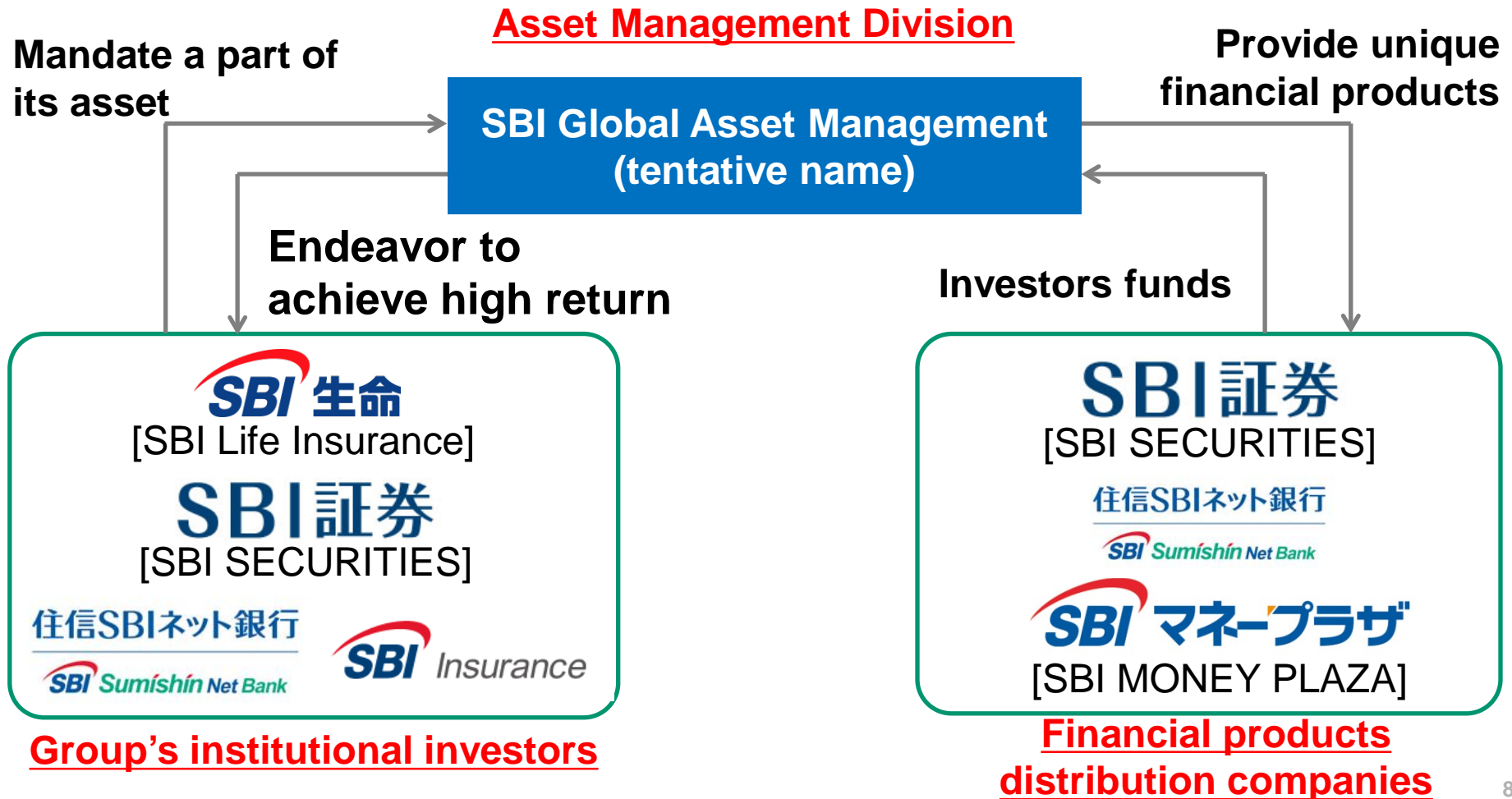
Asset types

Partner company



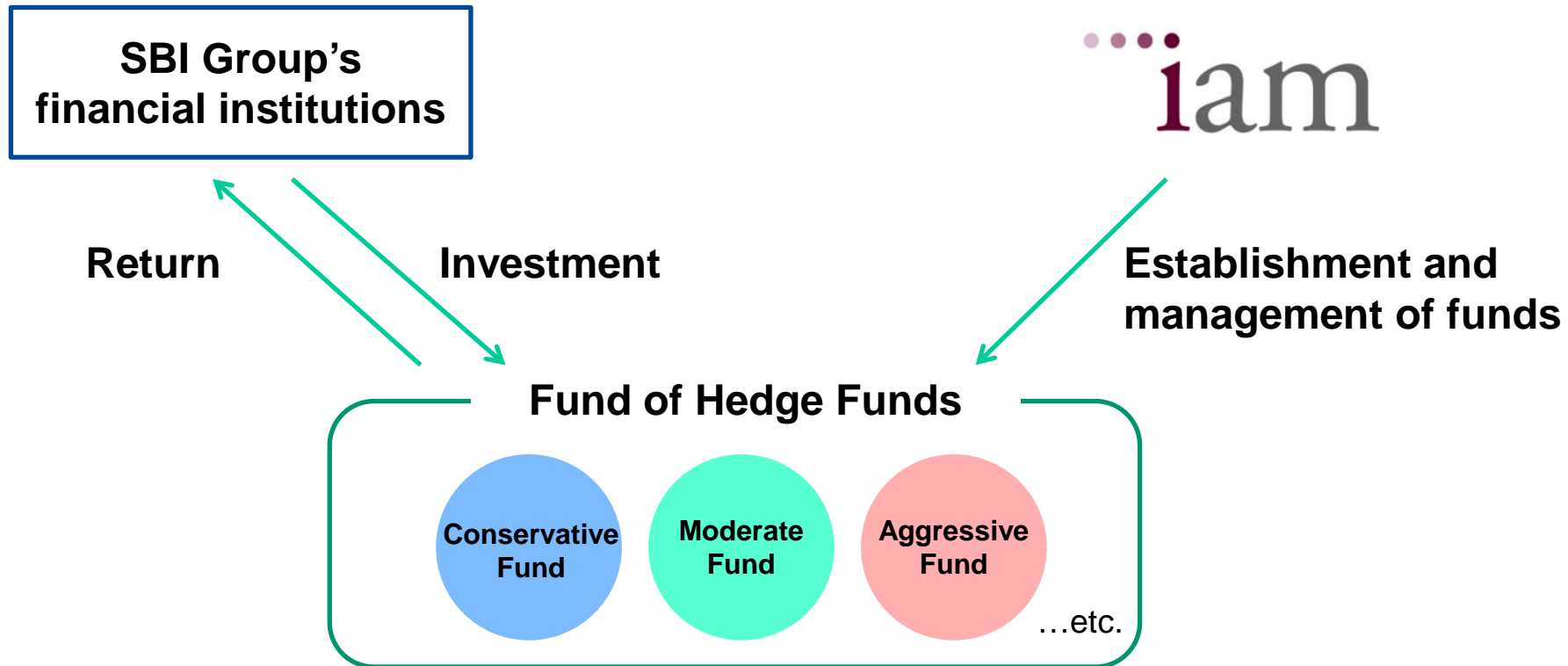
Synergies through Restructuring and Strengthening of the Asset Management Division

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



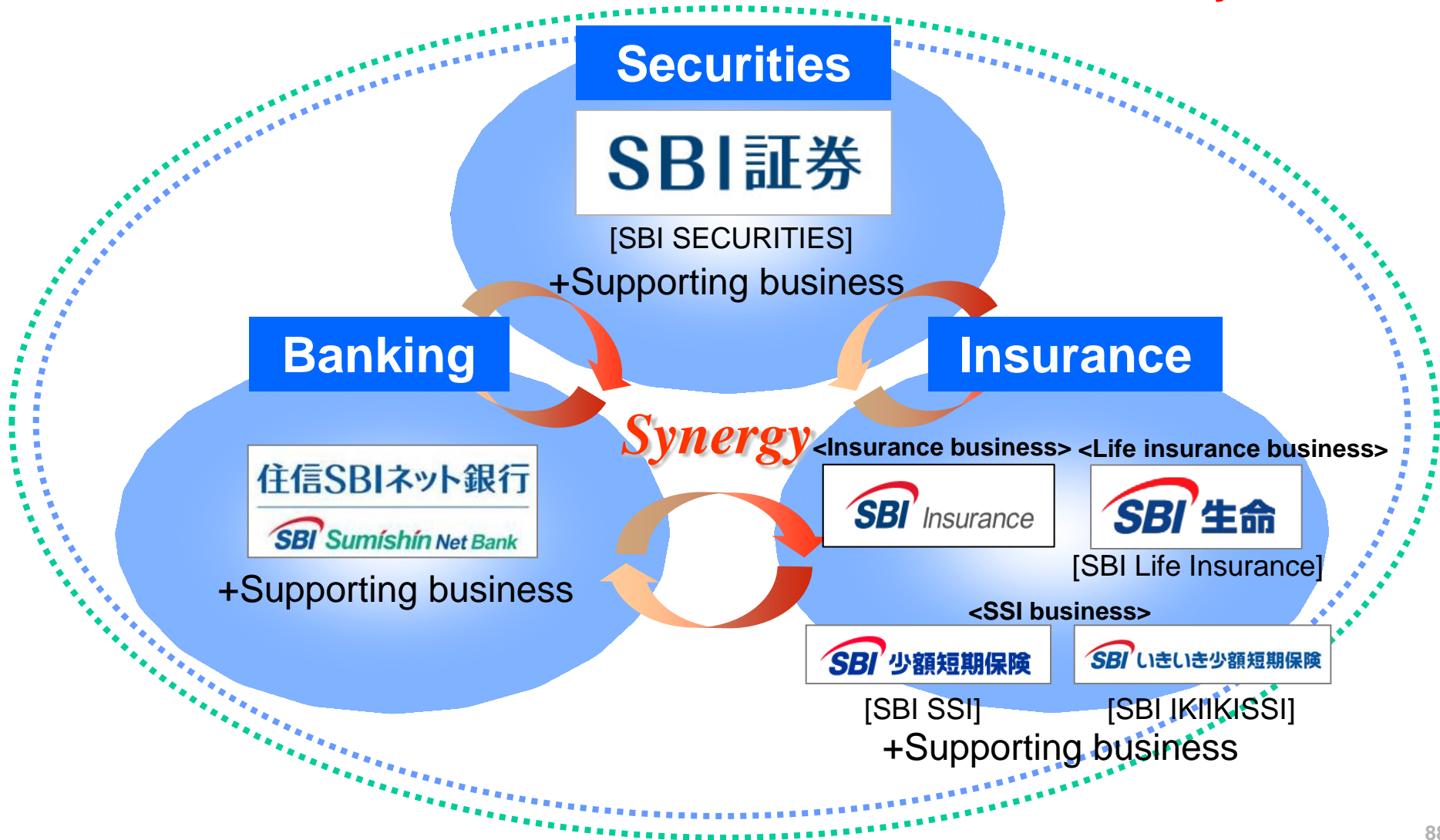
International Asset Management:

An U.K.-based leading hedge fund manager, with AUM of approx. USD 4.15bn (as of end 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.

4. What is the strategy for business investments going forward?

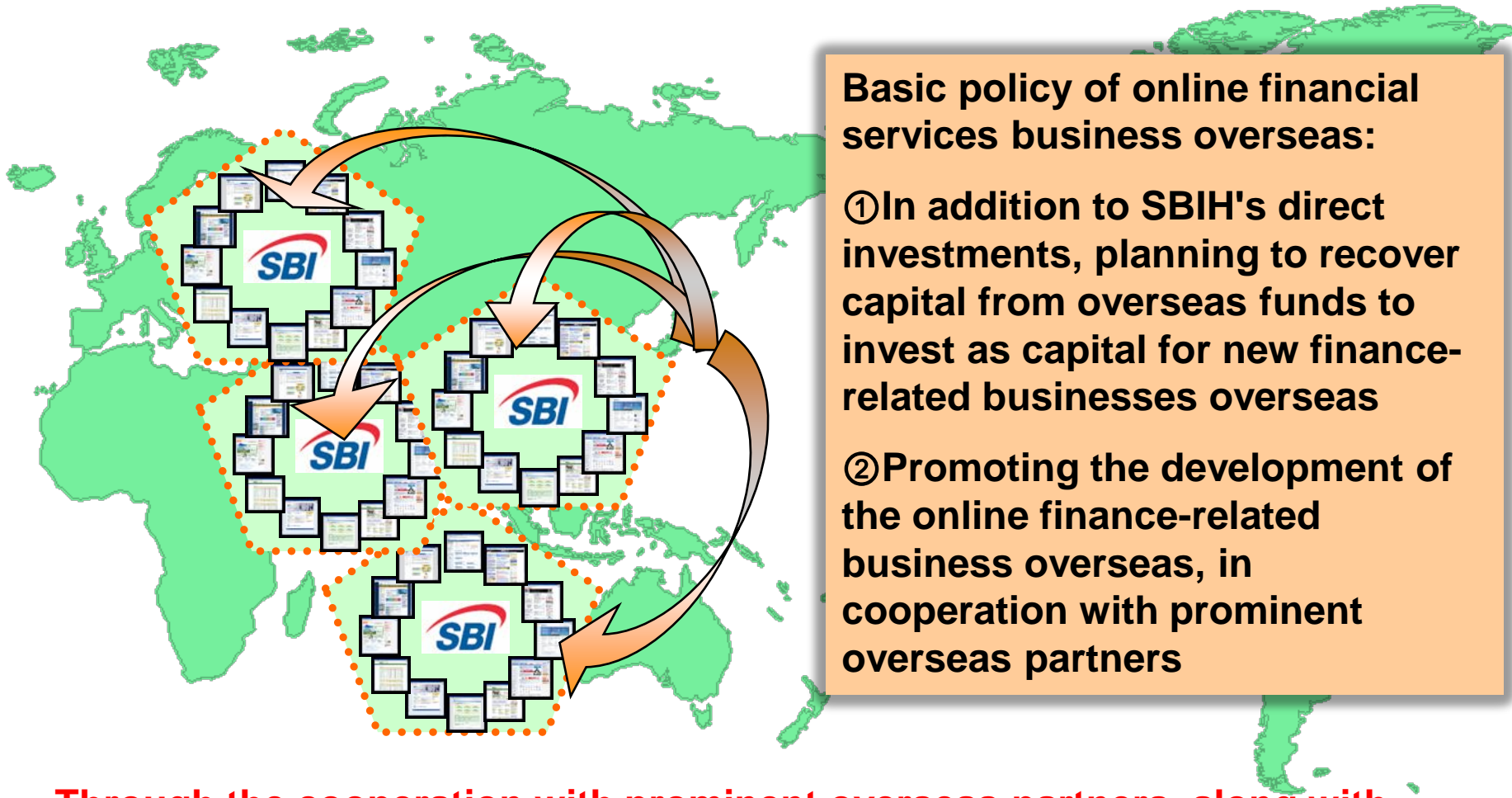
Completion of Domestic Financial Ecosystem, which Includes 3 Core Businesses of Securities, Banking and Insurance

~Investment to domestic financial service business is nearly ended~



From “Japan’s SBI” to the “World’s SBI”

~Overseas investments continue to be focused on the online finance-related business~

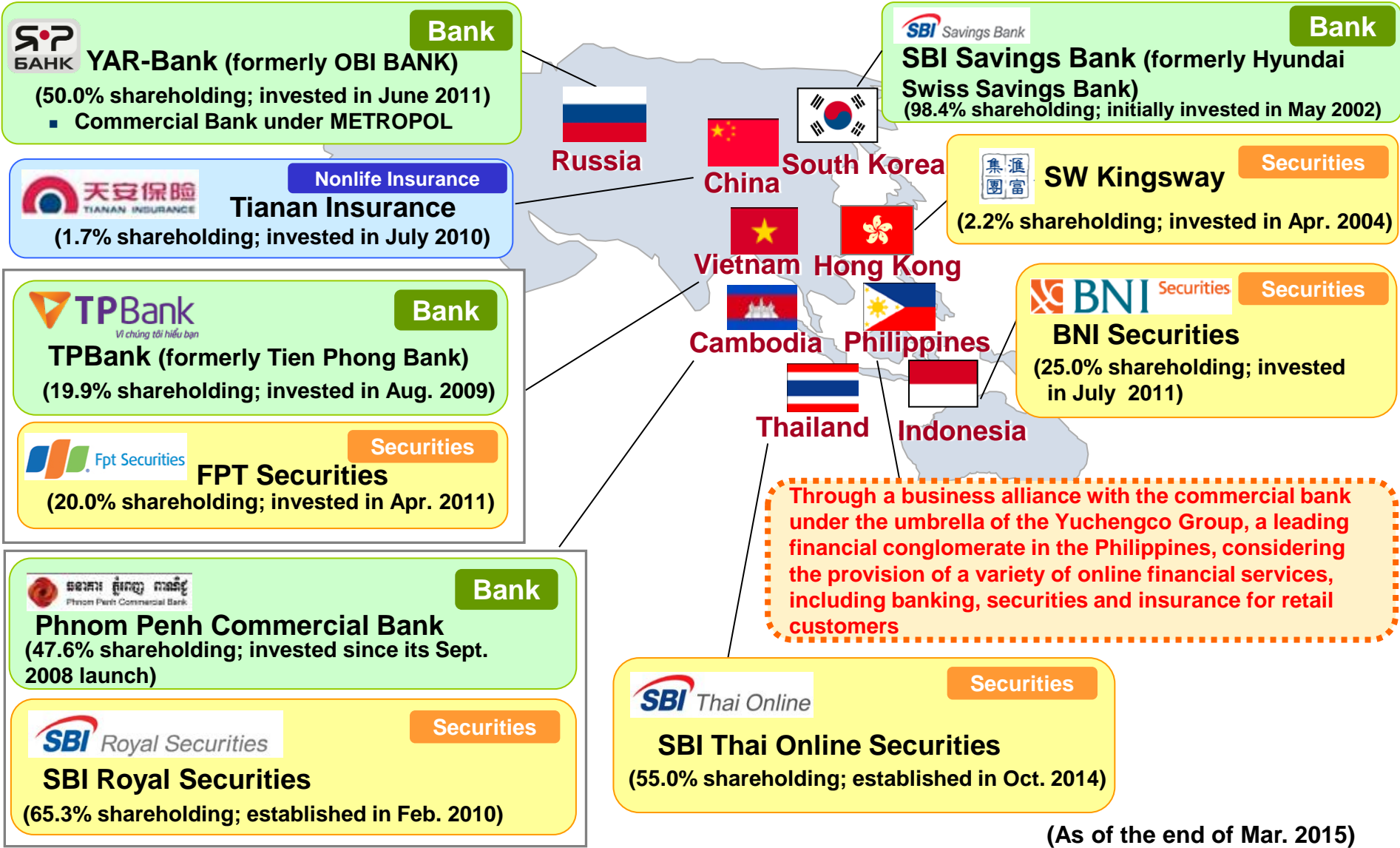


Basic policy of online financial services business overseas:

- ① In addition to SBIH's direct investments, planning to recover capital from overseas funds to invest as capital for new finance-related businesses overseas
- ② Promoting the development of the online finance-related business overseas, in cooperation with prominent overseas partners

Through the cooperation with prominent overseas partners, along with the consideration of the circumstances of each country, promote the establishment of financial ecosystems overseas

Financial Services Business are Expanding Overseas Centering in Asia



(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 90

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

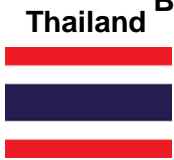


Memorandum of Understanding on business alliance to provide online financial services for retail customers with Rizal Commercial Banking Corporation (Mar. 2015)

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



Vietnam: TPBank



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

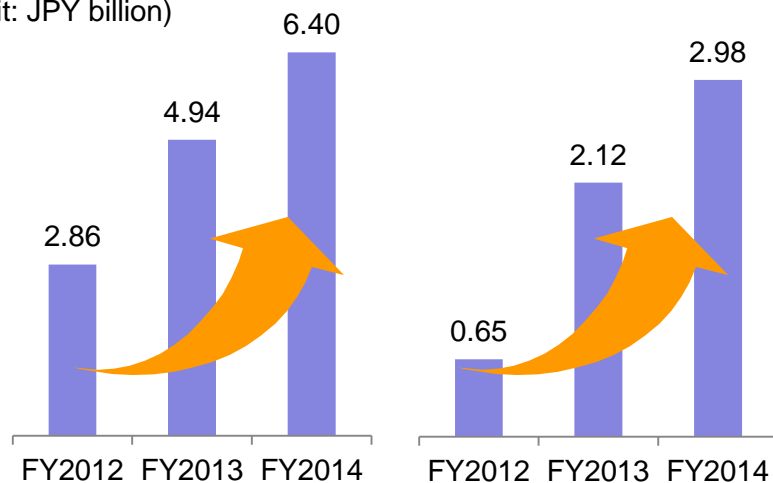
- Acquired shares in Aug. 2009
- Operates 38 branches throughout the country, including the central branch in Hanoi
- Rapid growth in both revenue and income

[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

5. What is the progress of the prioritized 5-ALA-related business?

5-ALA-related business transitioning 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) were developed and introduced on the market.**
- (v) Currently, there are a number of domestic and overseas health food companies interested in a license transfer, so the selection of a licensing partner company is expected to be made by early July.**

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	

Most Recent Patents Obtained by SBI Pharmaceuticals



Obtained on Sept. 12, 2014

Obtained a patent for **cancer prophylactic and/or improving agent whose active ingredient is 5-ALA or a derivative thereof or a salt thereof**



Although 5-ALA itself is not photosensitive, when metabolically activated by protoporphyrin IX within the cell, and irradiated by a laser light after direct accumulation into a tumor tissue, the light excitation is said to cause a degeneration and necrosis of the cell

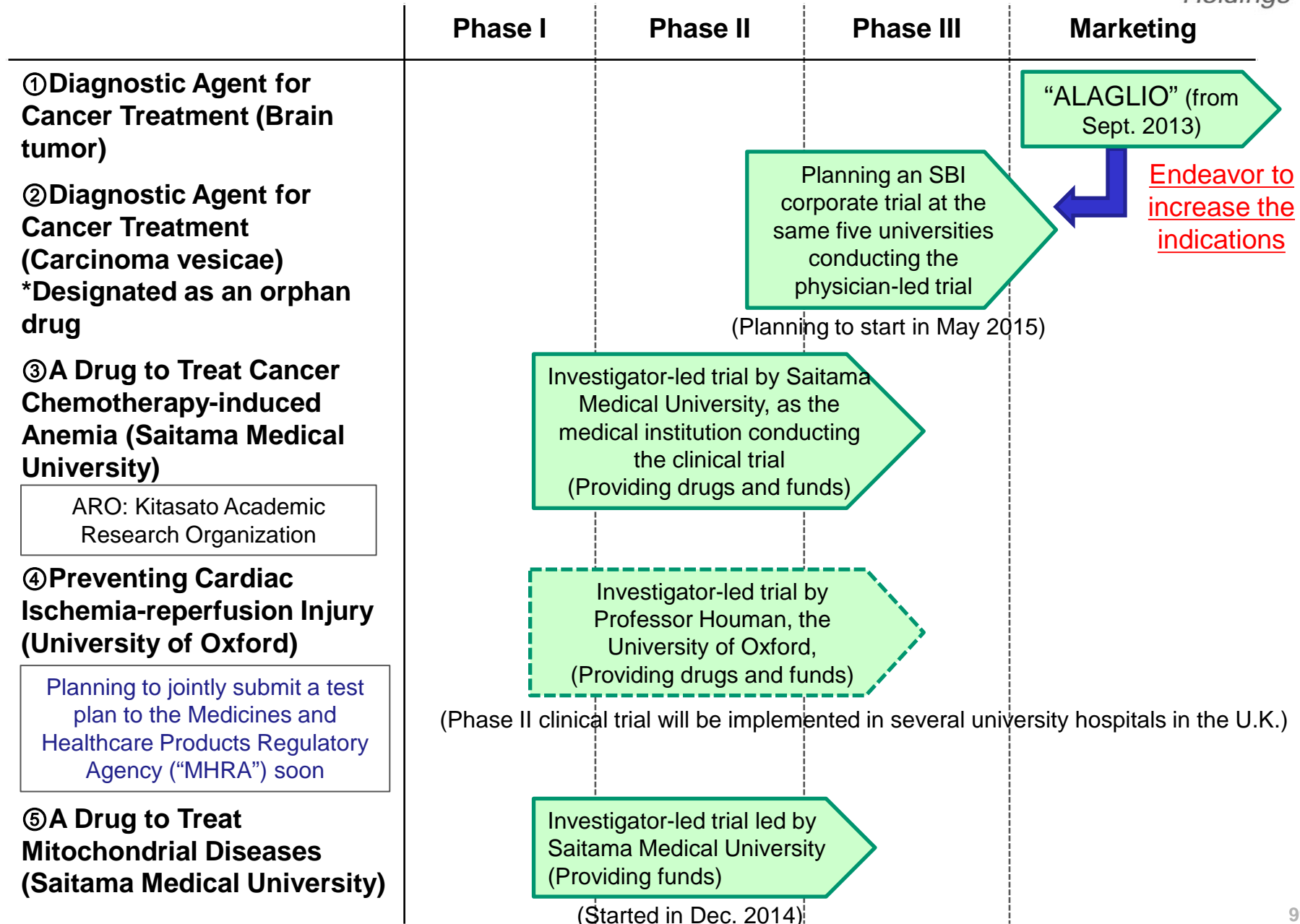
Obtained on Dec. 19, 2014

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



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

(iii) Medicine business: **R&D Progress in the Pharmaceutical Field Sponsored by SBI Pharmaceuticals (1)**



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

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

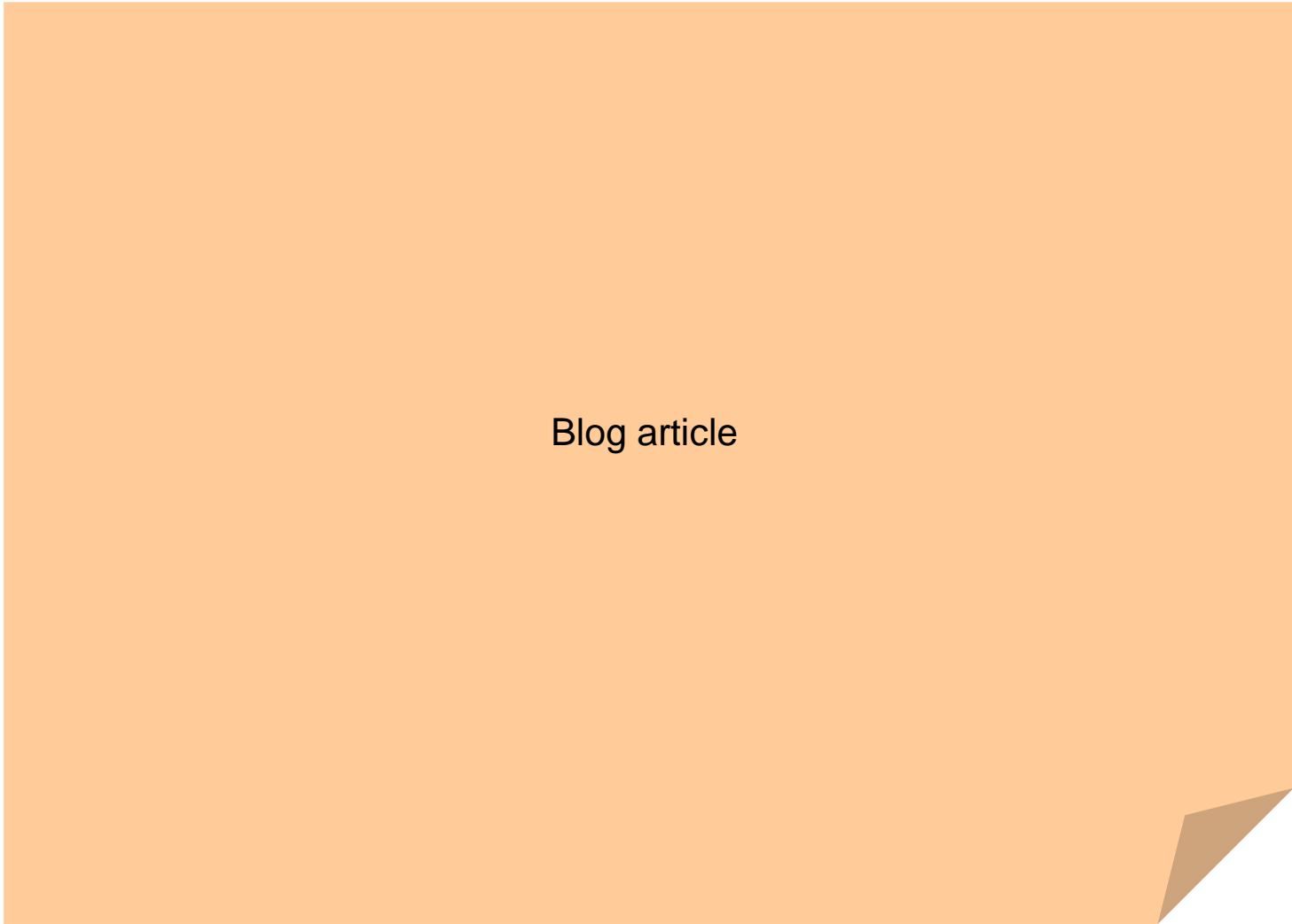
“The advantage of 5-ALA is that it is smoothly incorporated into the cytoplasm since no foreign synthetic material enters the cells.”

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.”

Newspaper article

(Feb. 27, 2015 Nikkan Kogyo Shimbun)

Blog comments from the mother of a one-year-old child with mitochondrial disease (a participant in a physician-led trial since Apr.)

A large, solid orange rectangular area that serves as a placeholder for a blog article. It has a slight shadow and a folded corner effect at the bottom right.

Blog article

***The above comments are the personal opinion of the guardian of a subject participating in a double-blind physician-led clinical trial recorded on a blog and are not a medical assessment.**

Partner Medical Institutions in Bahrain for Clinical Research for the Use of ALA in Foods and Pharmaceutical Products

Partner institutions for clinical research 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 53 subjects**

June: Test will be completed → July-Aug: Results will be clear → Aug: A thesis will be submitted

- 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.

Ten surgeries have already been successfully completed, and an academic paper has been submitted. Furthermore, preparations are underway for clinical research on extirpative surgery for prostate cancer.

- King Hamad University Hospital

The first case of extirpative surgery for bladder cancer performed using the system has been completed without incident.

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)

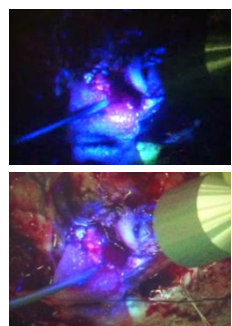


LED light source

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

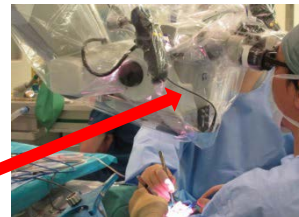


Laser light source

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 Implementing Strategic Alliances to Monetize All Phases of Manufacturing, Product Development and Product Distribution

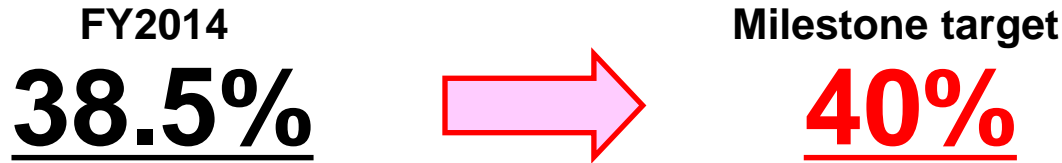
1. Having established a business foundation that encompasses an integrated system from the production to the sales of pharmaceuticals, health foods and cosmetics that contain ALA, entered into a patent licensing agreement with Cosmo Oil, to ensure a stable supply of 5-ALA-related products on a global basis
2. The product license for health foods containing 5-ALA that Suzhou Yian Biotech Co., Ltd (SBI Group shareholding of 40%) will be distributing passed a review by the Food and Drug Administration of Zhejiang province, and an application to the Chinese Food and Drug Administration (CFDA) was also accepted, with a CFDA review conference scheduled for June. The construction of the health food manufacturing plant has already been completed, and with the equipment installation already in progress, preparations are well underway for the start of production once the product licenses are obtained.
3. Focusing management resources on the pharmaceutical sector, and in the health foods field, will endeavor to accelerate product development and increase revenue through technology licensing. Currently in discussions to license technology with a number of domestic and overseas companies, with plans to conclude agreements in early July.
4. The prospect of obtaining a license to manufacture and sell health foods containing 5-ALA from authorities in Jordan seem favorable. This will buttress the 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.
5. SBI Pharmaceuticals is targeting an IPO within three years.

6. What are management's thoughts on shareholder returns?

Fundamental Basis for Shareholder Returns

[Shareholder return ratio]

A shareholder return ratio, including dividends and share repurchases, of about 40% will be targeted



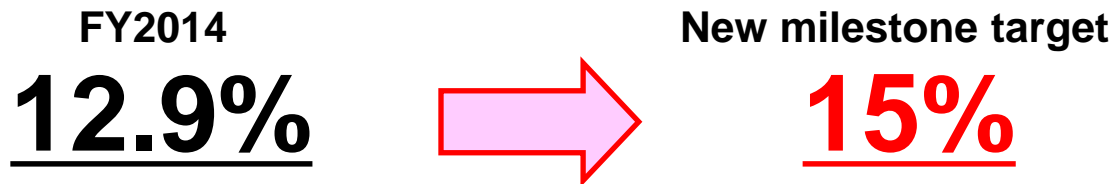
Shareholder return ratio:

Index that indicates level of shareholder returns, calculated by dividing the sum of dividend payouts and share repurchase costs by current profit

$$\text{Shareholder return ratio} = \frac{\text{Total dividend payouts} + \text{Share repurchase costs}}{\text{Profit attributable to owners of the Company}}$$

[ROE]

Since surpassing initial milestone target of 10% ROE, targeting 15% as the next stage level accomplishment



Excluding profits from sale of SBI Mortgage

10.0%

Surpassed initial milestone target of 10% ROE in FY2014, excluding profits from the sale of SBI Mortgage

[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 25, 2015) (JPY billion)

	Valuation of each segment (theoretical value)
Financial Services	529.6
Asset Management	120.0
Biotechnology-related	66.5
Sum total	716.1 (+)*

Business valuation per share: JPY 3,189

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

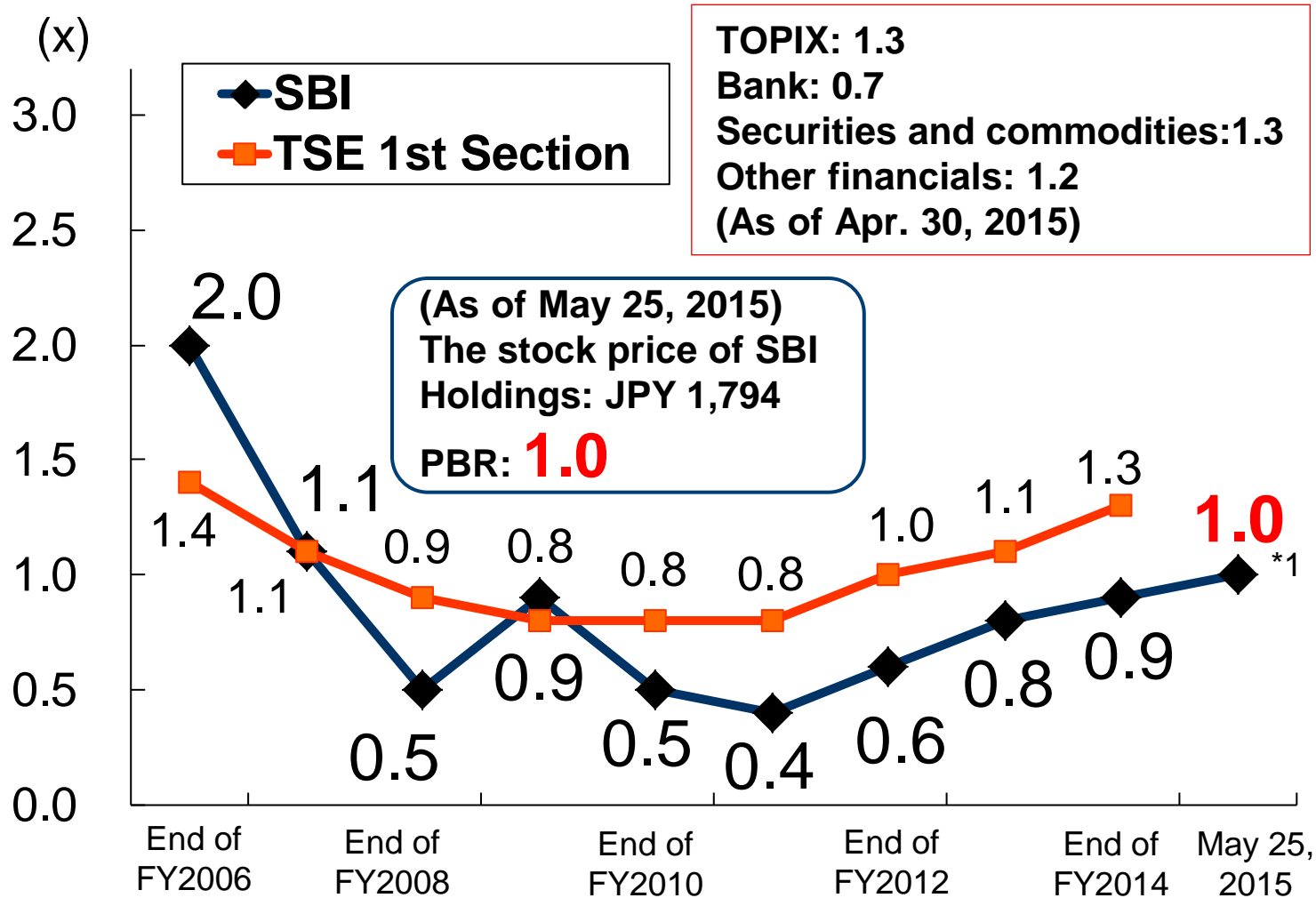


Market cap (based on the closing price on May 25, 2015): **JPY 402.9bn**



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 **8.5**^{*2} (As of May 25, 2015)

*1 PBR of SBI Holdings for May 25, 2015 is calculated based on the BPS of the end of Mar. 2015.

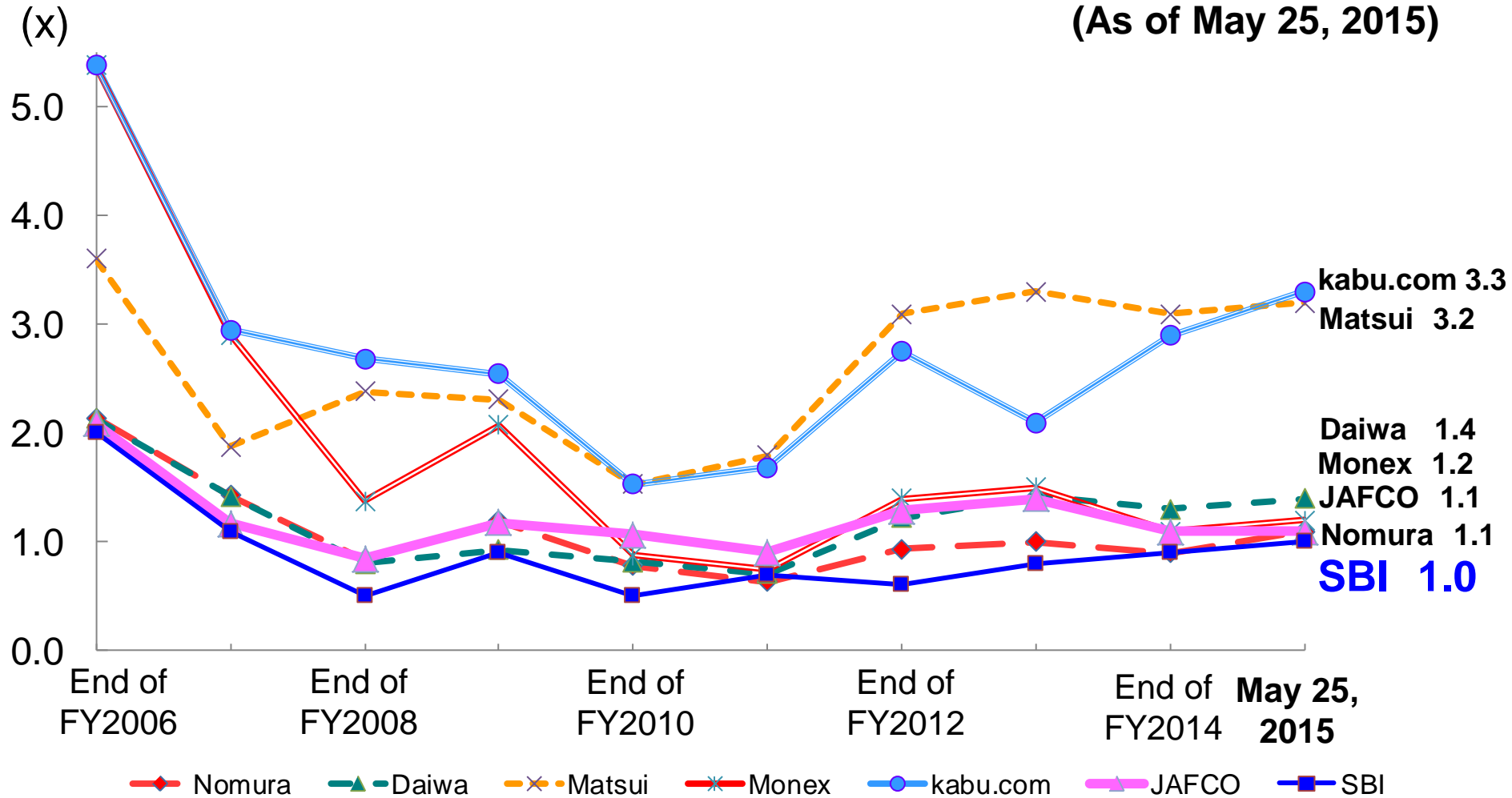
*2 EPS of FY2014 (JPY 211.18) is used to calculate SBI Holdings' PER.

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 25, 2015)



*PBR for May 25, 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 327.2bn

(based on the closing prices of May 25, 2015)

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

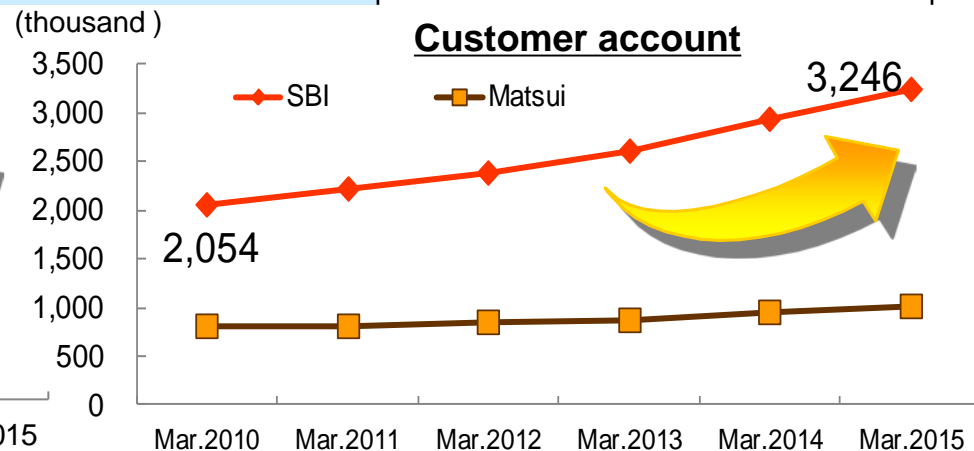
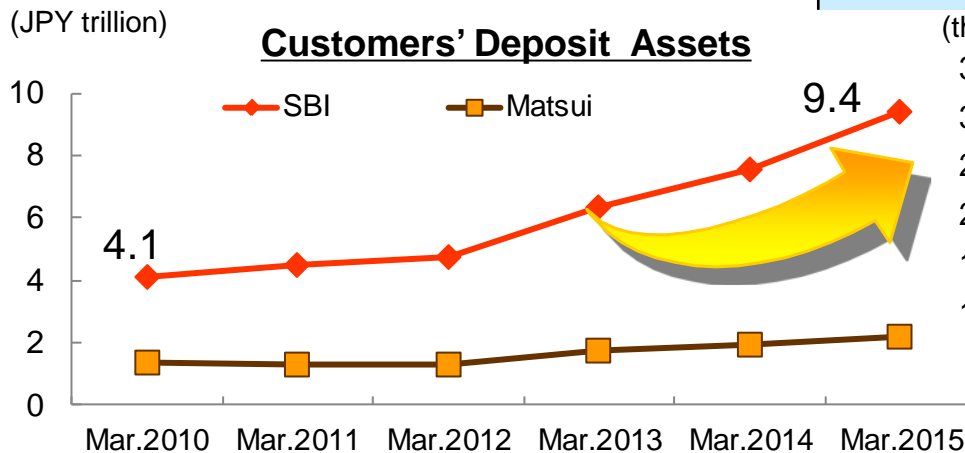
(1) Financial Services Business ① SBI SECURITIES -(ii)

Is SBI SECURITIES' valuation reasonable?

Comparison of SBI SECURITIES Matsui Securities

*Calculated by the closing prices of May 25, 2015

(FY2014)	SBI SECURITIES	Matsui Securities
Valuation (market cap) *	JPY 327.2bn	JPY 298.3bn
Deposit assets (Mar. 2015)	No.1	JPY 2.2tn
Number of accounts (As of the end of Mar. 2015)	No.1	1.00 million
Share of individual stock brokerage trading value	No.1	12.9%
Operating income	No.1	JPY 22.1bn (down 18.5 YoY)
	JPY 34.7bn (up 5.9% 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 189.0bn → **JPY 94.5bn** (based on the closing prices of May 25, 2015)

(Shareholding of the SBI Group: 50.0%)

Estimation of the valuation is as follows:

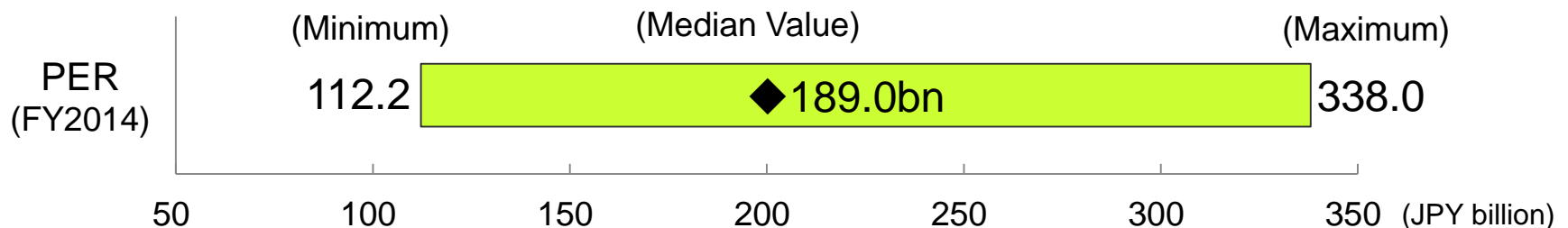
Calculated according to the **Comparable Public Company Analysis**

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 36.7bn** (based on the closing price of May 25, 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 32.1bn

→ JPY 16.9bn (based on the closing prices of May 25, 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 38.4bn (based on the closing price of May 25, 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	28.0	13.9
SOLXYZ	26.3	Equity method associate	JASDAQ	7.2	1.9
Sum of the market cap of listed subsidiaries and equity method associates				35.2	<u>15.8</u>

(Based on the closing price of May 25, 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 25, 2015)

Upon comparison with similar listed companies calculated conservatively as **JPY 327.2bn**

② SBI Sumishin Net Bank

(based on the closing prices of May 25, 2015)

Estimated the valuation of SBI Sumishin Net Bank that has high growth potential in terms of profitability and scale at JPY 189.0bn → **JPY 94.5bn** (Shareholding of the SBI Group: 50.0%)

③ SBI Liquidity Market (cons.)

(based on the closing prices of May 25, 2015)

Upon comparison with similar listed companies calculated as **JPY 36.7bn**

④ SBI Japannext

(based on the closing prices of May 25, 2015)

Upon comparison with similar listed companies estimated the valuation at JPY 32.1bn → **JPY 16.9bn** (Shareholding of the SBI Group: 52.8%)

⑤ SBI Comparison Website Business

(based on the closing prices of May 25, 2015)

Upon comparison with similar listed companies calculated as **JPY 38.4bn**

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 15.8bn (based on the closing prices of May 25, 2015)

Total of the valuation above: JPY 529.6bn (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 120.0bn

<Reference>

JAFCO's Market Cap: **JPY 233.3bn** (based on the closing price of May 25, 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 25, 2015)

(* Valuation excluding assets such as securities hold) Approx. JPY 13.5bn

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	7.7*	3.3
SBI Investment KOREA	43.9	Equity method associate	KOSDAQ of KRX	15.5*	6.8
Sum of the market cap of listed subsidiaries and equity method associates				23.1	10.1

(Based on the closing price of May 25, 2015. *Calculated by the exchange rate as of May 25, 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.

[Appendix]

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

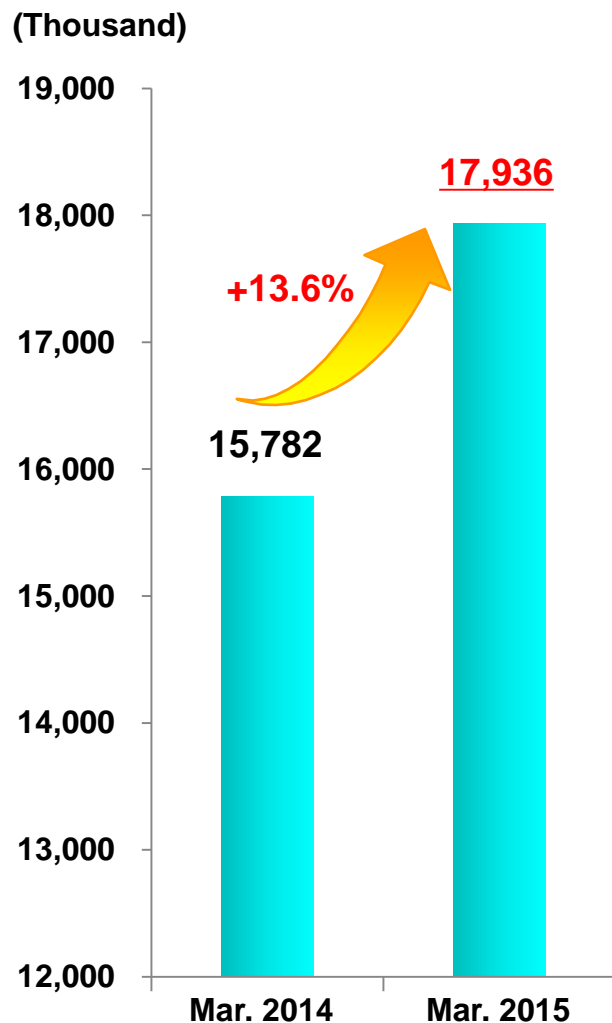
*3 Composed of cash in funds and unpaid capital which is to be paid on a capital call.

*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

SBI Group's Customer Base



Customer Base of the Group Companies



[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.

SBI Holdings' Shareholder Composition

(as of the end of Each Fiscal Year)

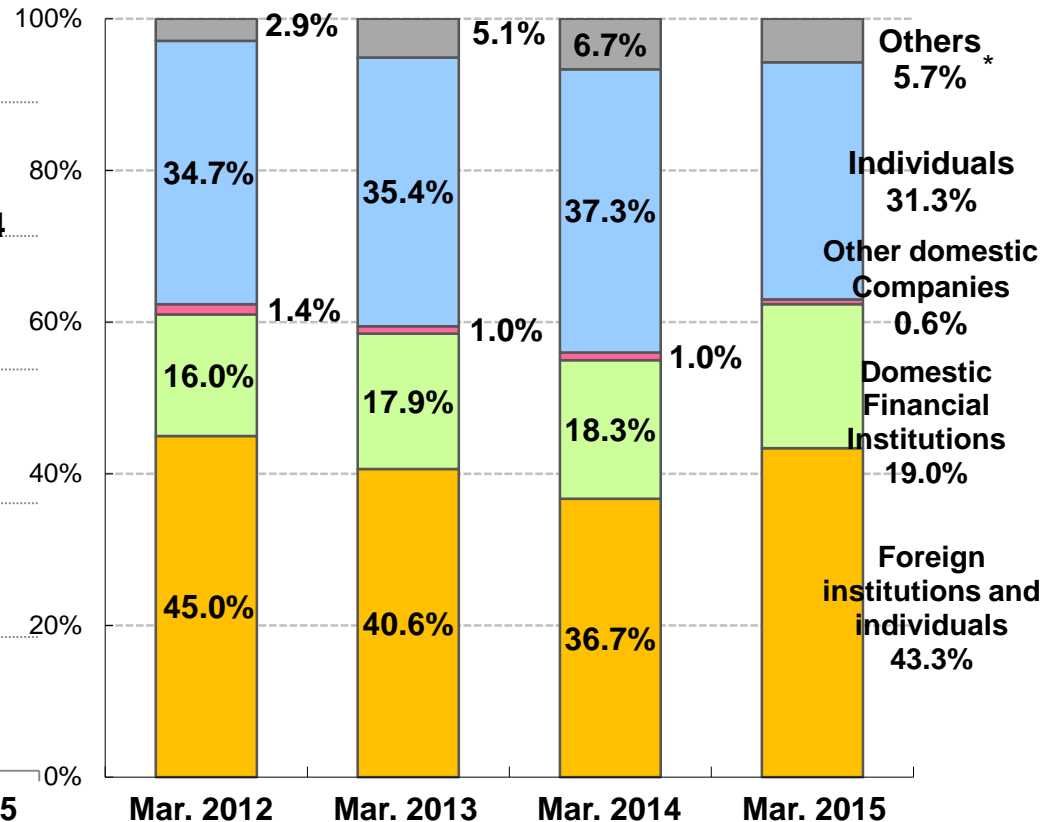
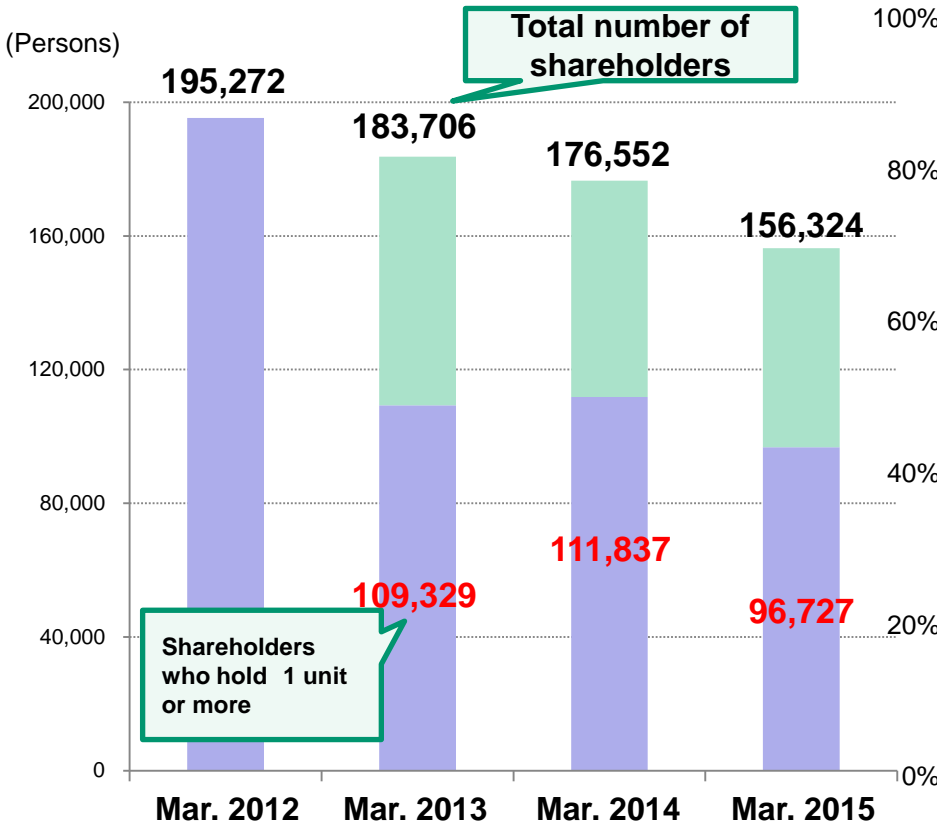


- As of the end of Mar. 2015, foreign share ownership was 43.3%.
- Share holding ratio of domestic and foreign institutional investors at the end of Mar. 2015 was 62.3%, a 7.3 percent points increase year-on-year.

Number of Shareholders

Shareholder Composition

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.



* "Others" include treasury stock (3.4%) 127

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