



*Strategic
Business
Innovator*

SBI Holdings, Inc. 2015 Information Meeting

November 20 Osaka

November 24 Tokyo

December 8 Nagoya

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 1H FY2015 financial results**
- 2. How do you see the current business environment surrounding the SBI Group?**
- 3. What are the focused measures that have been enacted to embody the further strengthening of continued growth and profitability?**
- 4. What are management's thoughts on SBI Holdings' stock price and shareholder returns?**

- 1. Please provide a summary for the 1H FY2015 financial results**
 - (1) 1H FY2015 consolidated financial results**
 - (2) Overview of the major companies in each segment**

(1) 1H FY2015 consolidated financial results

[Key Points of 1H FY2015 Consolidated Financial Results]

- ① 1H FY2015 revenue increased 1.5% year-on-year to JPY 115,183m and profit before income tax expense decreased 38.7% year-on-year to JPY 19,906m. However, excluding the effect from the sales of ARUHI (formerly SBI Mortgage) and SBI Life Living in FY2014, profit before income tax expense increased +36.7% year-on-year
- ② By segment, the Financial Services Business achieved increases in both revenue and profits; revenue increased 20.5% year-on-year and profit before income tax expense increased 21.4% year-on-year, when the effect from the sales of ARUHI (formerly SBI Mortgage) is excluded
- ③ Shareholding ratio of domestic and foreign institutional investors as of the end of Sept. 2015 at a high level of 65.5%, a 3.2 percentage points up compared to that of the end of Mar. 2015

1H FY2015 Consolidated Performance (IFRS)

(Unit: JPY million)

	1H FY2014 (Apr.-Sept. 2014)	1H FY2015 (Apr.-Sept. 2015)	YoY % change
Revenue	113,467	115,183	+1.5
Profit before income tax expense	32,498	19,906	-38.7
Profit for the period	20,609	13,215	-35.9
Profit attributable to owners of the Company	25,787	13,162	-49.0

1H FY2015 Profit Before Income Tax Expense Increased +36.7% YoY, in Comparison with Figures Excluding the Effect from the Sales of ARUHI (formerly SBI Mortgage) and SBI Life Living

1H FY2015 Consolidated Performance (IFRS: year-on-year)

(Unit: JPY million)

		1H FY2014 (Apr.-Sept. 2014)	1H FY2015 (Apr.-Sept. 2015)	YoY % change
	Revenue	113,467	115,183	+1.5
	① Performance contribution from the 2 companies	7,294	-	-
	② Gain from sales of the 2 companies*	15,983	-	-
Revenue excluding ① and ②		90,190	115,183	+27.7
	Profit before income tax expense	32,498	19,906	-38.7
	① Performance contribution from 2 the companies	1,951	-	-
	② Gain from sales of the 2 companies*	15,983	-	-
Profit before income tax expense excluding ① and ②		14,564	19,906	+36.7

* JPY 515m of gain from the sales of SBI Life Living is not included in 1H FY2014, but is recognized in 4Q FY2014

1H FY2015 Revenue by Segment

(IFRS) ^{*1}

[Year-on-year]

(Unit: JPY million)

	1H FY2014 (Apr.-Sept. 2014)	1H FY2015 (Apr.-Sept. 2015)	YoY % change
Financial Services Business	82,171 ^{*2}	74,513	-9.3
Figures excluding the effect from the sale of ARUHI (formerly SBI Mortgage)	61,849	74,513	+20.5
Asset Management Business	27,732 ^{*2}	36,784	+32.6
Biotechnology-related Business	827	3,341	+304.0
Others (Primarily Housing and Real Estate Business)	3,787	1,759	-53.6
Figures excluding the effect from the sale of SBI Life Living	833 ^{*3}	1,759	+111.2

*1 Figures are before elimination of inter-segment transactions

*2 Revenue for 1H FY2015 decreased by JPY 2,135m in the Financial Services Business, and increased by JPY 2,332m in the Asset Management Business, owing to the segment transfer of Morningstar Japan and other companies from the Financial Services Business to the Asset Management Business segment (Difference of JPY 197m is eliminated as inter-segment transactions)

*3 JPY 515m of gain from the sales of SBI Life Living is not included in 1H FY2014, but is recognized in 4Q FY2014

1H FY2015 Profit before Income Tax

[Year-on-year] Expense by Segment (IFRS) ^{*1} (Unit: JPY million)

	1H FY2014 (Apr.-Sept. 2014)	1H FY2015 (Apr.-Sept. 2015)	YoY change (YoY % change)
Financial Services Business	37,581 ^{*2}	24,908	-12,673 (-33.7)
Figures excluding the effect from the sale of ARUHI (formerly SBI Mortgage)	20,515	24,908	+4,393 (+21.4)
Asset Management Business	128 ^{*2}	-111	-239 (-)
Biotechnology-related Business	-1,751	-242	+1,509 (-)
Others (Primarily Housing and Real Estate Business)	646	-345	-992 (-135.5)
Figures excluding the effect from the sale of SBI Life Living	-222 ^{*3}	-345	-124 (-)

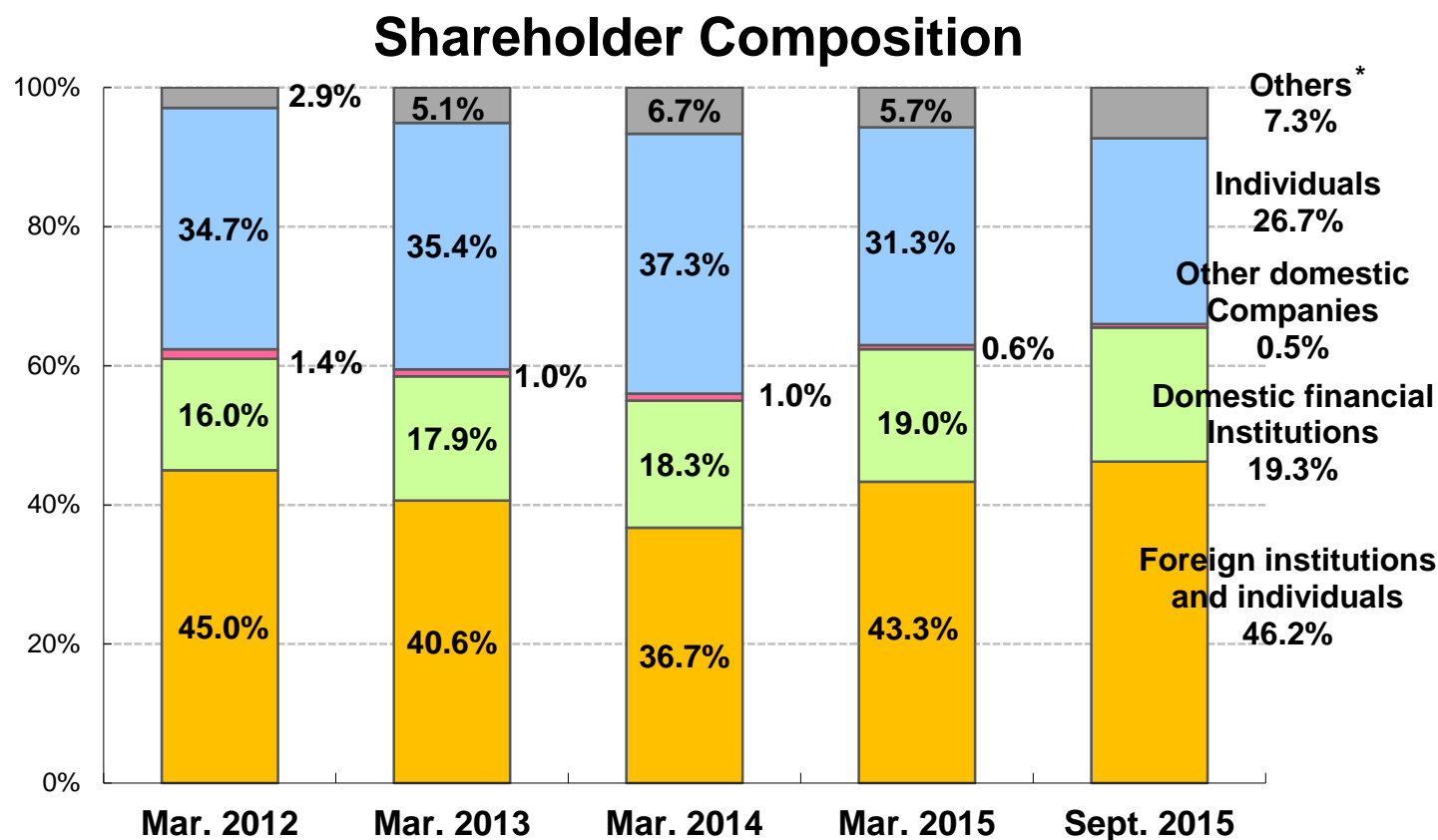
*1 Figures are before elimination of inter-segment transactions

*2 Profit before income tax expense for 1H FY2015 has decreased by JPY 685m in the Financial Services Business, and increased by JPY 685m in the Asset Management Business, owing to the segment transfer of Morningstar Japan and other companies from the Financial Services Business to the Asset Management Business segment

*3 JPY 515m of gain from the sales of SBI Life Living is not included in 1H FY2014, but is recognized in 4Q FY2014

Shareholding Ratio of Domestic and Foreign Institutional Investors at the End of Sept. 2015 was 65.5%, a 3.2 Percentage Points Increase as Compared to that at the End of Mar. 2015.

- The total number of shareholders is 144,390, and the number of shareholders who hold 1 unit or more is 87,274.



* "Others" include treasury stock (5.5%)

(2) Overview of the major companies in each segment

- ① Financial Services Business**
- ② Asset Management Business**
- ③ Biotechnology-related Business**

① Financial Services Business

- **SBI SECURITIES' 1H FY2015 profit before income tax expense achieved a significant increase and recorded an historical high for half-year results**
- **SBI Liquidity Market, SBI FXTRADE, SBI Japannext, SBI MONEY PLAZA, SBIH Comparison Website Business, SBI Remit and SBI Benefit Systems also achieved significant growth and recorded a historical high, respectively**
- **SBI Insurance's deficit increased, owing to substantive insurance payments, as well as from adverse typhoon effects and increased accidents during the prolonged "Silver Week" holidays**

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

[Profit before income tax expense (IFRS)]

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

	1H FY2014 (Apr. 2014-Sept. 2014)	1H FY2015 (Apr. 2015-Sept. 2015)	YoY change (YoY % change)
SBI SECURITIES	15,176	20,055 Historical high	+4,879 (+32.1)
SBI Liquidity Market	1,115	1,826 Historical high	+711 (+63.8)
SBI FXTRADE	514	1,094 Historical high	+579 (+112.7)
SBI Japannext	528	700 Historical high	+172 (+32.6)
SBI MONEY PLAZA	702	948 Historical high	+246 (+35.0)

* Owing to the difference in IFRS and J-GAAP for asset assessment criteria, the figures are different from that disclosed by each company

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

[Profit before income tax expense (IFRS)]

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

	1H FY2014 (Apr. 2014-Sept. 2014)	1H FY2015 (Apr. 2015-Sept. 2015)	YoY change (YoY % change)
SBI Insurance	-276	-786	-510 (-)
SBI Sumishin Net Bank (Shares of results of associates using the equity method)	1,827	1,144	-683 (-37.4)
SBIH Comparison Website Business	824	968 Historical high	+143 (+17.4)
SBI Remit	-75	26 Historical high	+101 (-)
SBI Benefit Systems	74	89 Historical high	+15 (+20.1)

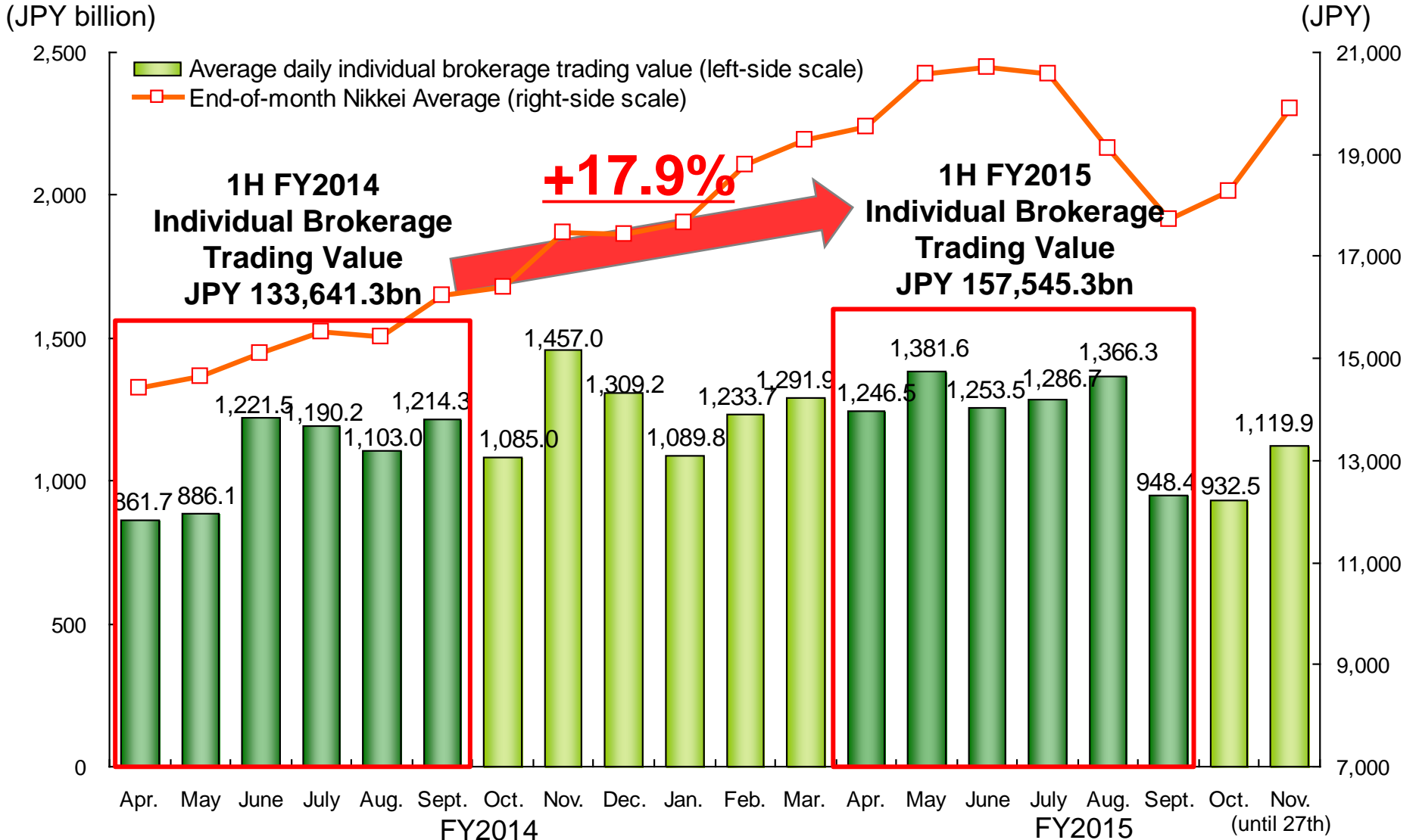
* Owing to the difference in IFRS and J-GAAP for asset assessment criteria, the figures are different from that disclosed by each company

[State of the Major Financial Services Business Companies]

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

Trend of the Average Daily Individual Brokerage Trading Value

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



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

SBI SECURITIES 1H FY2015

Consolidated Results (J-GAAP)

Operating revenue and all profit categories recorded an historical high for half-year results

[Year-on-year]

(Unit: JPY million)

	1H FY2014 (Apr. 2014 –Sept. 2014)	1H FY2015 (Apr. 2015 –Sept. 2015)	YoY % change
Operating Revenue	35,055	44,368	+26.6
Net Operating Revenue	32,549	40,829	+25.4
Operating Income	14,990	20,127	+34.3
Ordinary Income	15,034	20,121	+33.8
Profit attributable to owners of the Company	8,737	12,302	+40.8

* SBI SECURITIES discloses its financial results on a consolidated basis from FY2015. Also the figures and YoY changes presented above are based on the non-consolidated results for 1H FY2014

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

[Year-on-year]

(Unit: JPY million)

	Operating Revenue	YoY % Change	Operating Income	YoY % Change
SBI (*1) (cons.)	44,368	+26.6	20,127	+34.3
Monex (*2) (cons.)	28,967	+26.8	5,656	+151.3
Rakuten (cons.)	27,309	+33.1	11,770	+35.0
Matsui	18,540	+13.7	12,159	+18.0
kabu.com	13,246	+24.7	6,129	+45.7

*1 SBI SECURITIES discloses its financial results on a consolidated basis from FY2015. Also the figures and YoY changes presented above are based on the non-consolidated results for 1H FY2014.

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

Comparison of Major Securities Companies' Operating Income (J-GAAP)

[Quarter-on-quarter]

(Unit: JPY million)

		1Q FY2015 (Apr.-June 2015)	2Q FY2015 (July-Sept. 2015)	QoQ % Change
Online securities	SBI (cons.)	9,946	10,181	+2.4
	Monex *1 (cons.)	2,443	3,213	+31.5
	Rakuten (cons.)	6,131	5,639	-8.0
	Matsui	6,017	6,143	+2.1
	kabu.com	3,072	3,056	-0.5
Face-to-face	Nomura *2 (cons.)	106,012	19,877	-81.3
	Daiwa (cons.)	59,088	32,297	-45.3
	SMBC Nikko (cons.)	24,552	13,410	-45.4

*1 Figures for Monex are based on IFRS, which are "The amount equivalent to operating income" disclosed by Monex

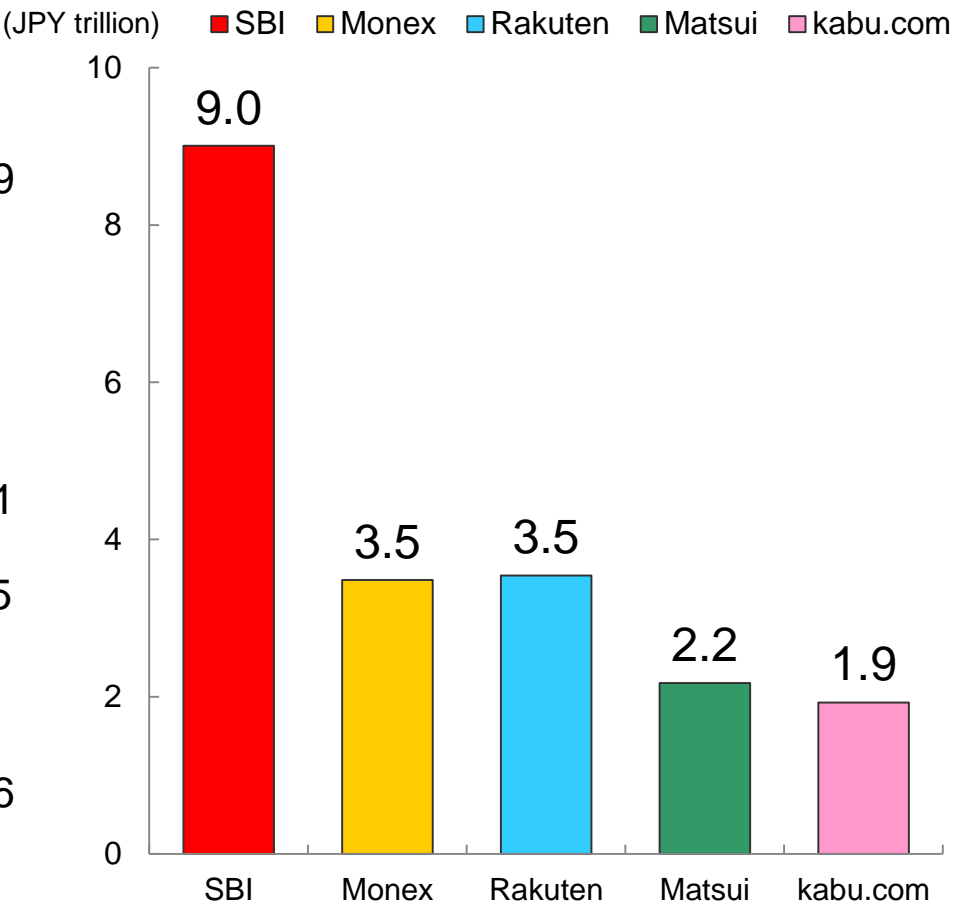
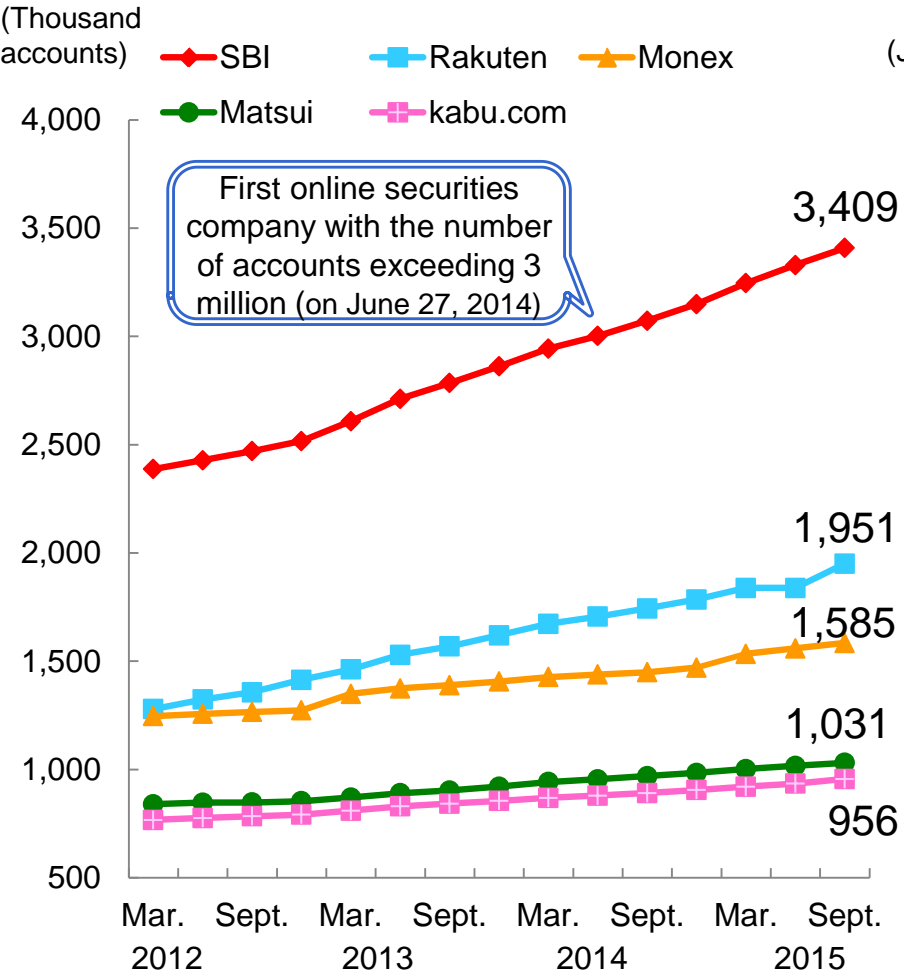
*2 Figures for Nomura are based on US-GAAP, presenting the "profit before income tax expense."

SBI SECURITIES Attains an Overwhelming Customer Base

[Number of Accounts and Amount of Customer Asset]

Customer Accounts of 5 Major Online Securities Companies
(Mar. 2012-Sept. 2015)

Customers' Deposit Assets of 5 Major Online Securities Companies
(Sept. 2015)

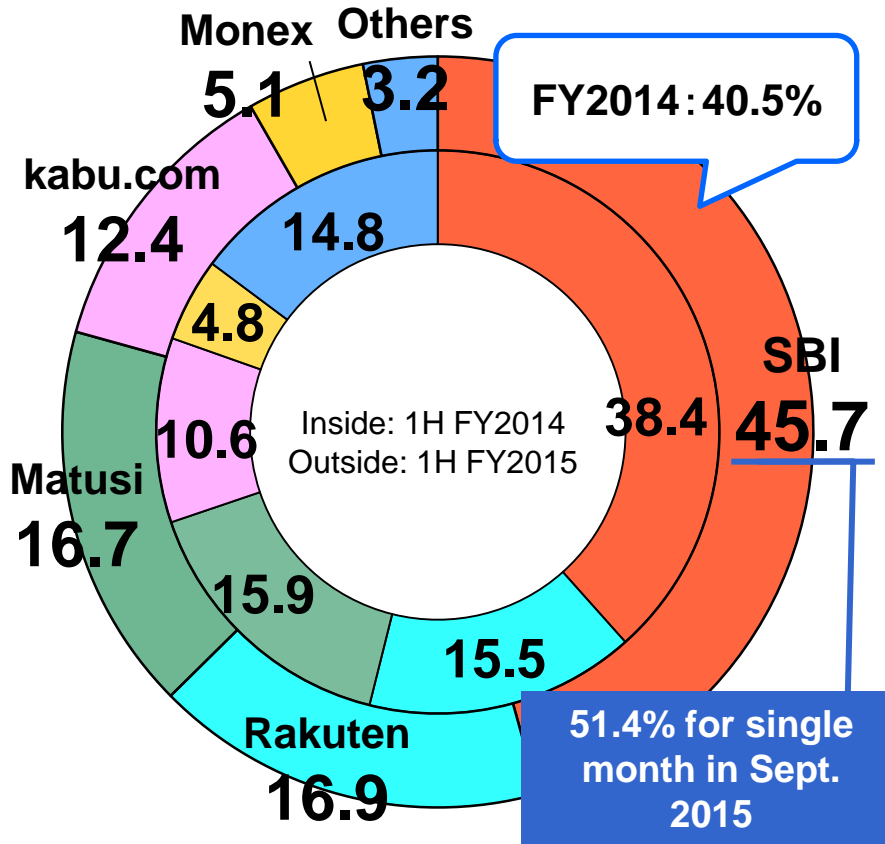
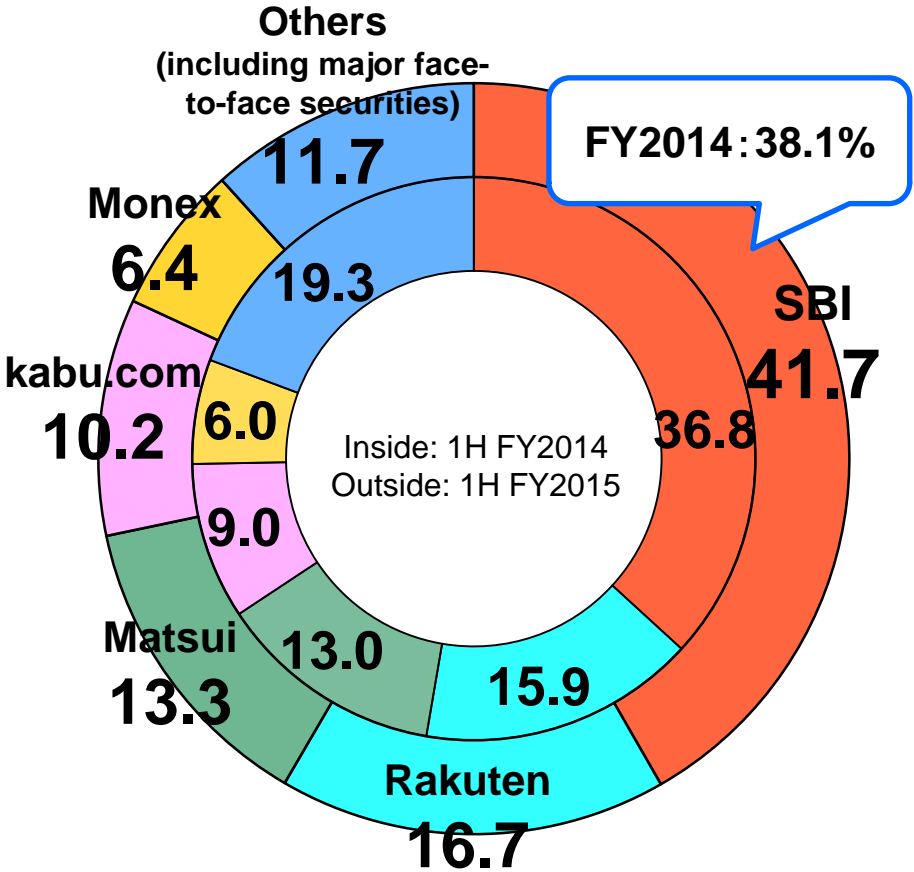


Source: Compiled by SBIH from the information on websites of each company.

SBI SECURITIES' Share of Individual Stock Trading Continues to Expand

Share of Individual Stock Trading Value (%) 1H FY2015 (Apr. 2015-Sept. 2015)

(of which) Share of Individual Margin Trading Value (%) 1H FY2015 (Apr. 2015-Sept. 2015)



Source: Compiled by SBIH based on Tokyo Stock Exchange materials, and from information on each company's website.
 * Calculated using each company's individual trading value plus the individual margin trading value of the 1st and 2nd sections of the Tokyo and Nagoya Stock Exchange (excluding trading value of ETFs).
 * As for SBI SECURITIES' individual stock trading value or individual margin trading value, includes that for ETF.

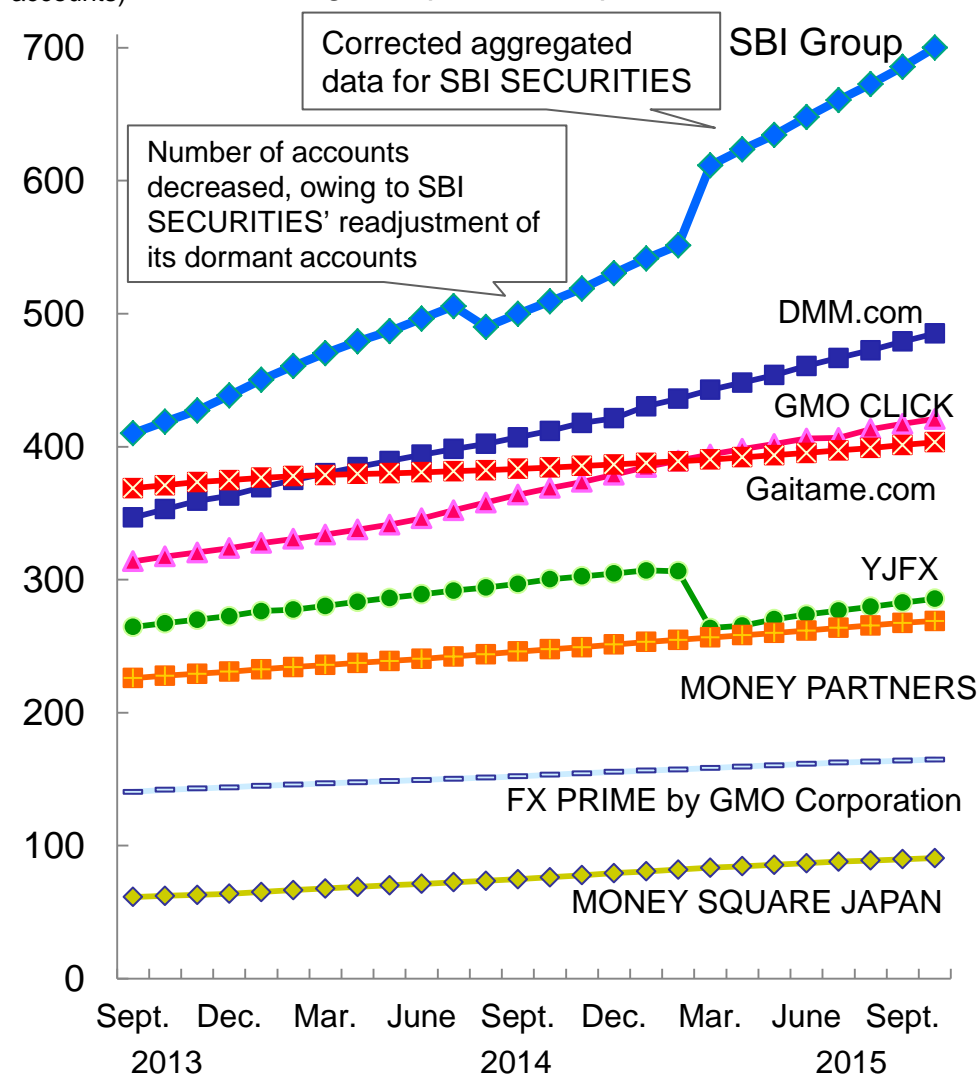
(ii) SBI Liquidity Market, SBI FXTRADE:

The SBI Group's (SBI SECURITIES, SBI FXTRADE and SBI Sumishin Net Bank)
**Total Number of Accounts have Increased, Surpassing the Growth
of Its Competitors in the OTC FX Industry**

Number of FX Trading Accounts (Oct. 2015)

No.	Company name	Number of accounts
1	SBI Group	700,154
2	DMM.com	485,167
3	GMO CLICK	420,740
4	Gaitame.com	403,309
5	YJFX	285,644
6	MONEY PARTNERS	268,916
7	Traders Securities	256,380
8	Hirose FX	192,117
9	FX PRIME by GMO Corporation	164,685
10	Central Tanshi FX	157,214
11	MONEY SQUARE JAPAN	90,577
12	Ueda Harlow	53,065
	Other (1 company)	59,478
	Total	3,537,446

Changes in number of accounts among 8 major FX Trading Companies (Sept. 2013 - Oct. 2015)



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

(ii) SBI Liquidity Market, SBI FXTRADE:

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

Customers' Deposit Assets Raking (Oct. 2015)

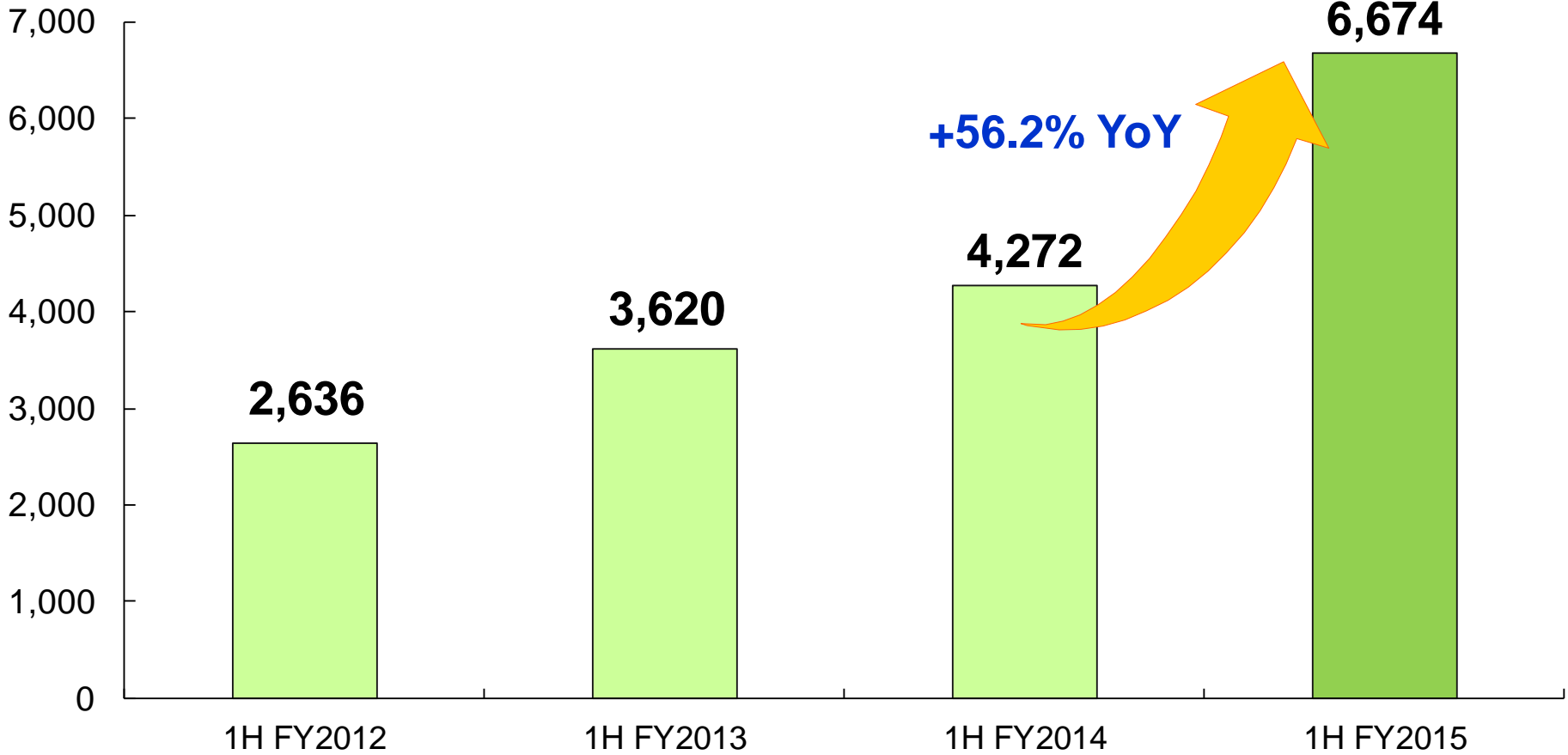
No.	Company name	Amount (JPY million)
1	SBI Group	181,915
2	GMO CLICK	125,125
3	Gaitame.com	111,188
4	YJFX	101,253
5	DMM.com	98,882
6	Central Tanshi FX	70,198
7	MONEY SQUARE JAPAN	68,937
8	MONEY PARTNERS	51,725
9	Hirose FX	28,367
10	FX PRIME by GMO Corporation	15,810
11	Traders Securities	13,207
12	Ueda Harlow	12,006
	Other (1 company)	8,168
	Total	886,781

Financial Results of SBI Liquidity Market

Operating income before allocation achieved a record high for 1H results

Operating Income Before Allocation
(JPY million)

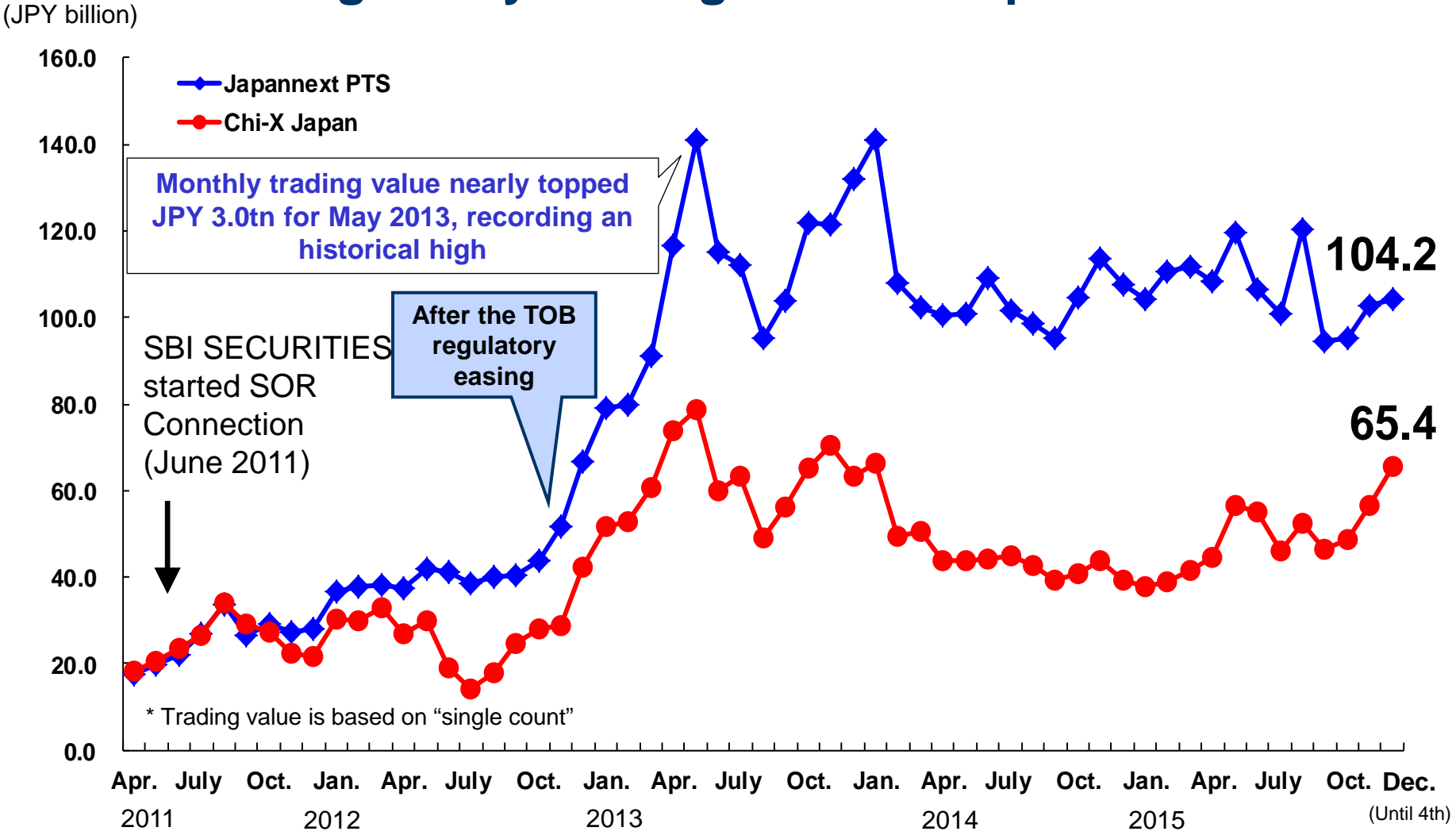
SBI Liquidity Market's "Operating Income Before Allocation" represents the amount before its allocation of profits to affiliated companies: SBI SECURITIES, SBI Sumishin Net Bank and SBI FXTRADE



* Based on J-GAAP

(iii) SBI Japannext (PTS):

Average Daily Trading Value at Japannext PTS



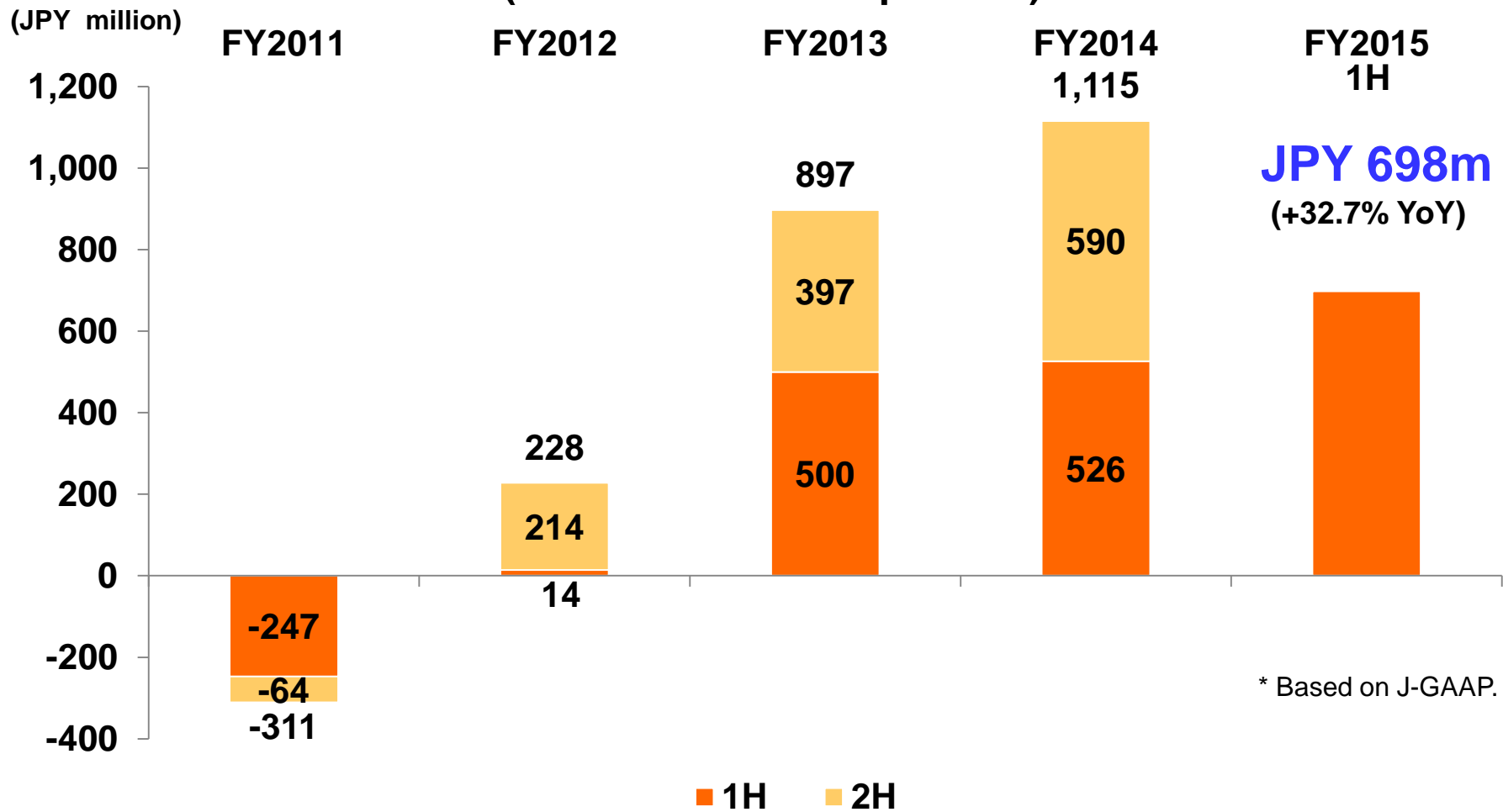
TOB (take-over-bid) regulation
 The regulation obliges investors who acquire more than 5% of a company through off-exchange transactions, or for investors who already own more than 5% that decide to increase their holdings, to conduct a takeover bid. This had hindered large institutional investors from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

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

SBI Japannext's Operating Income for 1H FY2015

Achieved a Record High of JPY 698m, up 32.7% Year-on-year

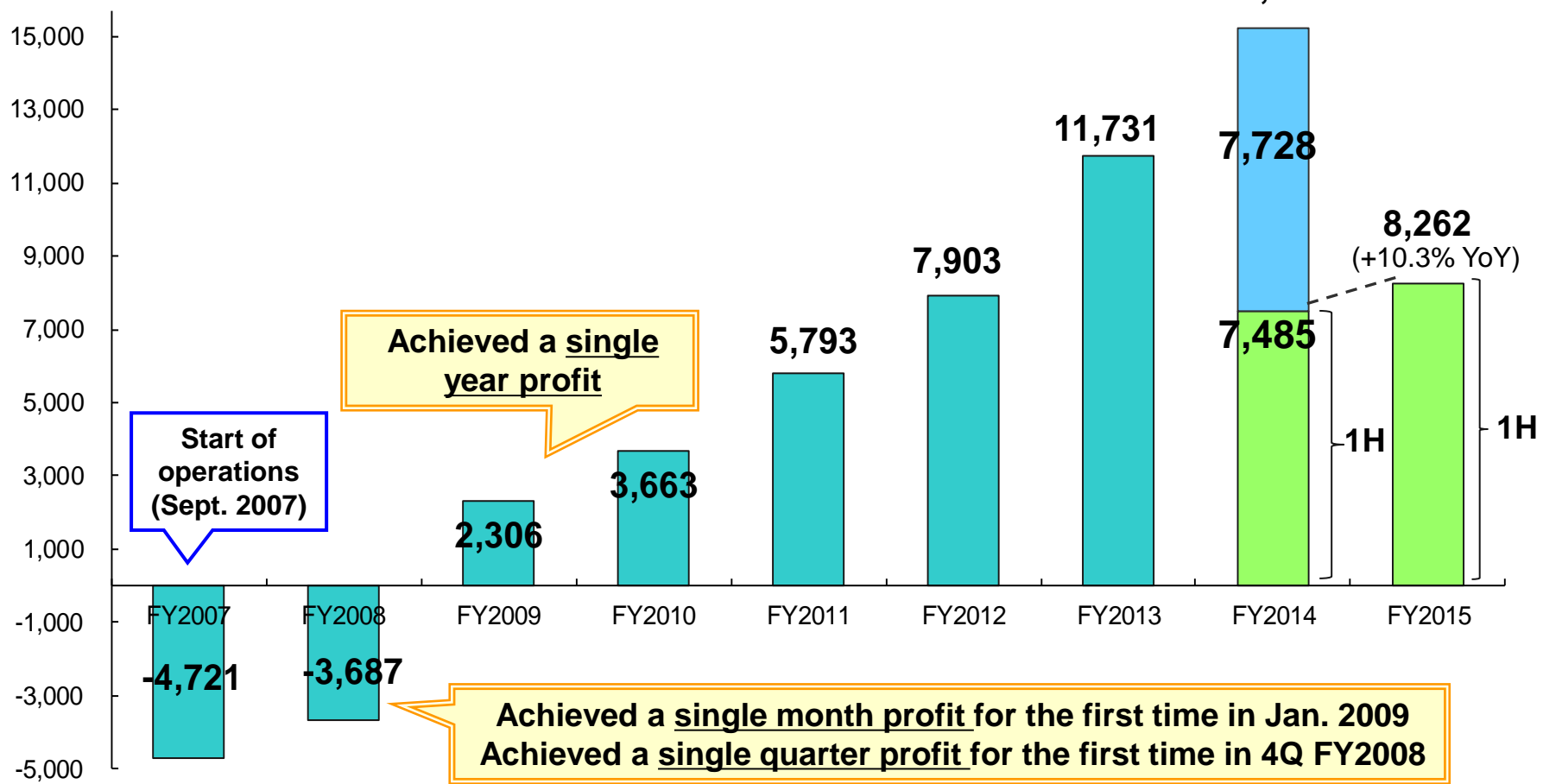
Change in SBI Japannext's Operating Income
(Consolidated in Sept. 2012)



Change in Ordinary Income after Start of Operations

~ Ordinary income for 1H FY2015 was JPY 8.3bn, increase of 10.3% year-on-year~




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



Pure-play Internet Banks' Financial Results for 1H FY2015

Unit: JPY billion

The number of accounts is in thousands.

	Date of operation started	Deposit amount	Balance of loans	Number of accounts	Ordinary income/loss
SBI Sumishin (cons.)	Sept. 2007	 <u>3,467.0</u>	 <u>1,944.4</u>	<u>2,458</u>	 <u>8.3</u>
Daiwa Next	May 2011	3,166.8	249.1	1,074	7.5
Sony Bank (cons.)	June 2001	1,794.4	1,266.8	1,080	3.4
Rakuten (cons.)	July 2001	1,409.1	419.7	5,138	7.7
Jibun	July 2008	751.2	102.2	2,008	0.8
The Japan Net	Oct. 2000	579.8	46.1	3,030	2.3

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

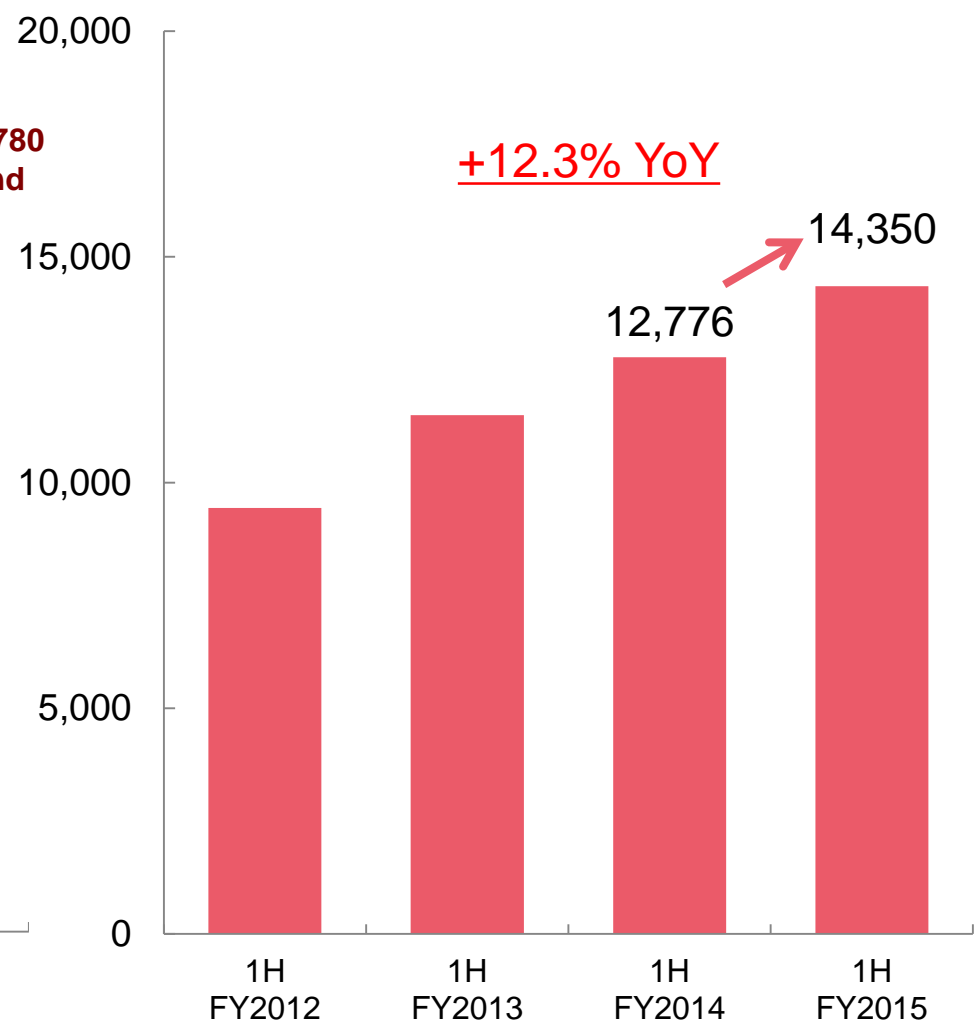
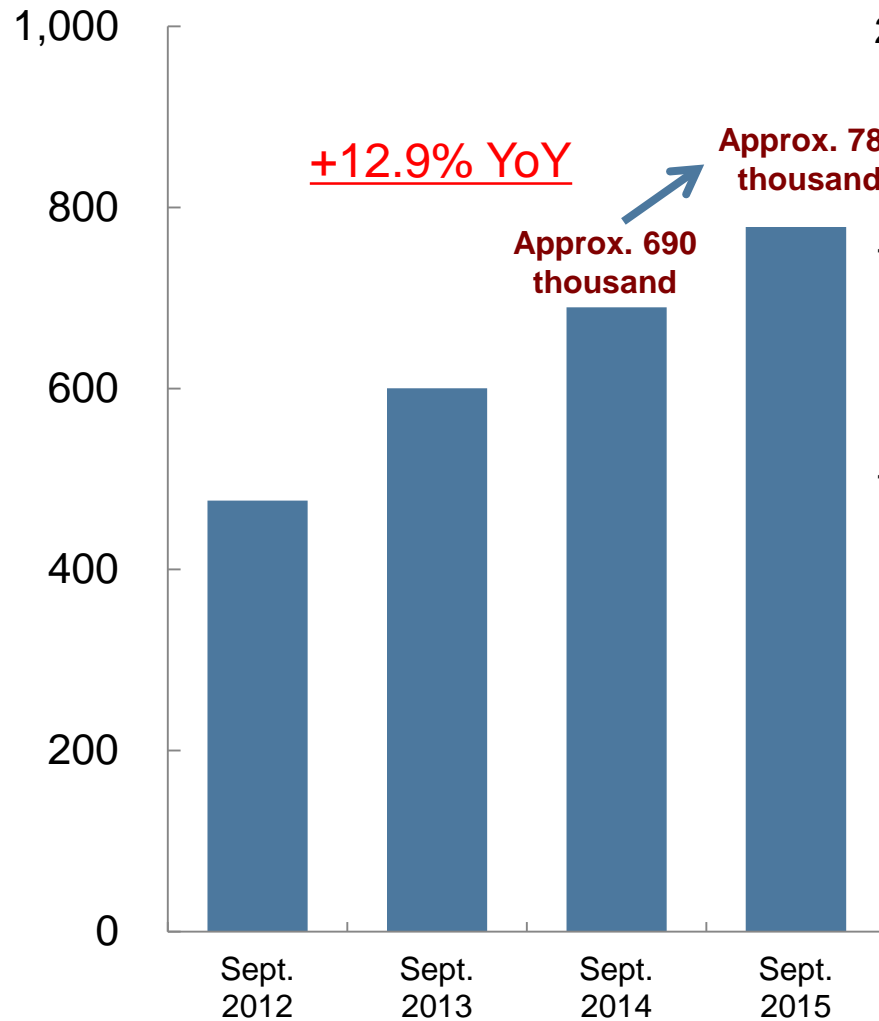
Change in SBI Insurance's Number of Auto Insurance Contracts and Direct Premiums Written

Number of contracts*

Change in direct premiums written

(Thousand policies)

(JPY million)



* Includes new contracts that were paid by the end of the month, but becomes effective the following month or later

Change in Combined Ratio

Combined ratio (based on direct figures) continues to decrease

(Unit: %)

	1H FY2014		1H FY2015	YoY Change
Loss ratio^{*1}	74.9		<u>70.6</u>	<u>-4.3</u>
Operating expenses ratio^{*2}	22.9		<u>20.8</u>	<u>-2.1</u>
Combined ratio	97.8		<u>91.4</u>	<u>-6.4</u>

*1 Loss ratio (%) = (Direct net insurance payment + Loss adjustment expenses) / Direct premium written X 100

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

*3 Percentages in the table above are based on direct figures

Factors that Increased the Deficit, and Measures of in 2H FY2015 for Full-year Profitability

(Unit: JPY million)

	1H FY2014	1H FY2015	YoY change
Profit before income tax expense (IFRS)	-276	-786	-510

Factors that increased the deficit

- Tropical Storm Etau and Typhoon Goni, and a rise in the number of accidents during Silver Week
- Several significant insurance payments

Measures have been implemented in 2H FY2015 to achieve profitability for the full-year

- Reviewing the premium structure to strengthen profitability
- Increase reinsurance contracts
- Further cost reductions

SBI Life Insurance has Maintained Steady Results, and Preparations for a Resumption of the Procurement of New Contracts is Proceeding Smoothly

Results (1H FY2015)

Ordinary Profit (based on J-GAAP) : JPY 1.21bn

* In 2H FY2015, it is expected to post costs to streamline its business structure, in preparation for the resumption of procuring new contracts. (e.g. system development costs, marketing costs, etc.)

Efforts toward the resumption of the procurement of new contracts

- **Product: Company-wide project team developing new products**
- **Personnel: Recruited virtually all necessary personnel to resume the procurement of new contracts**
- **Systems-related: Constructing a new product procurement system, and a dedicated sales site**
- **Sales agency: For the resumption of the procurement of new contracts, preparing to utilize existing sales agencies, centering on SBI Group companies in order to pursuit group synergies.**

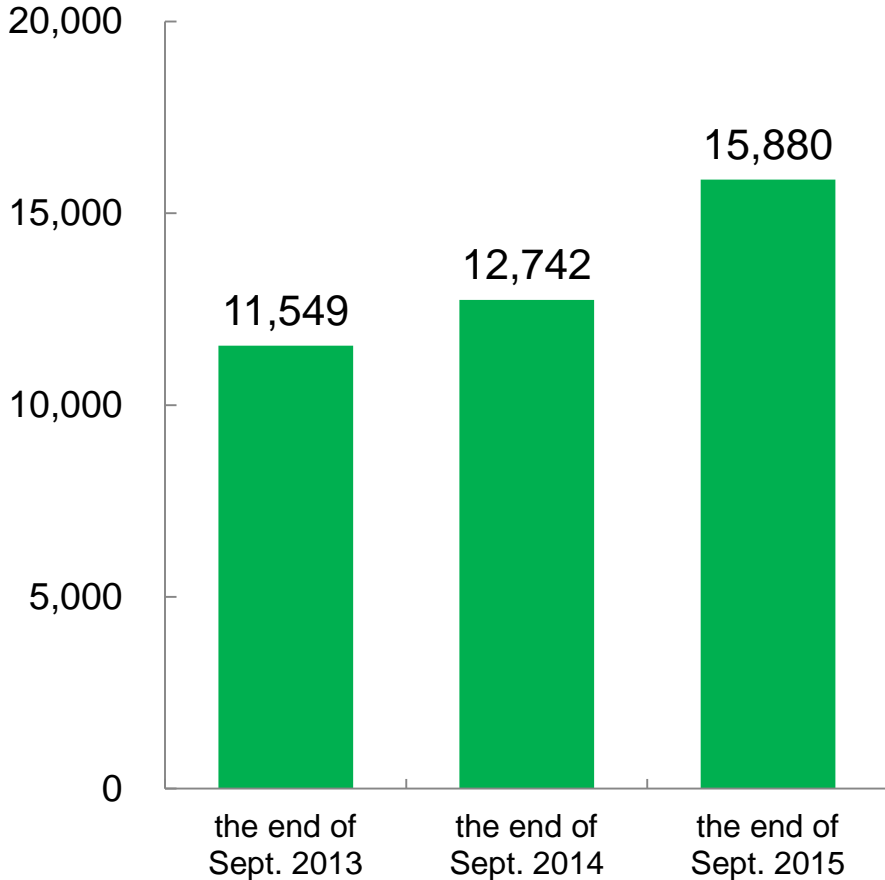
Additionally, preparations for the back office section, such as legal, accounting and actuarial services have progressed smoothly

Change in Numbers of Contracts of Two Small-amount, Short-term Insurance Companies



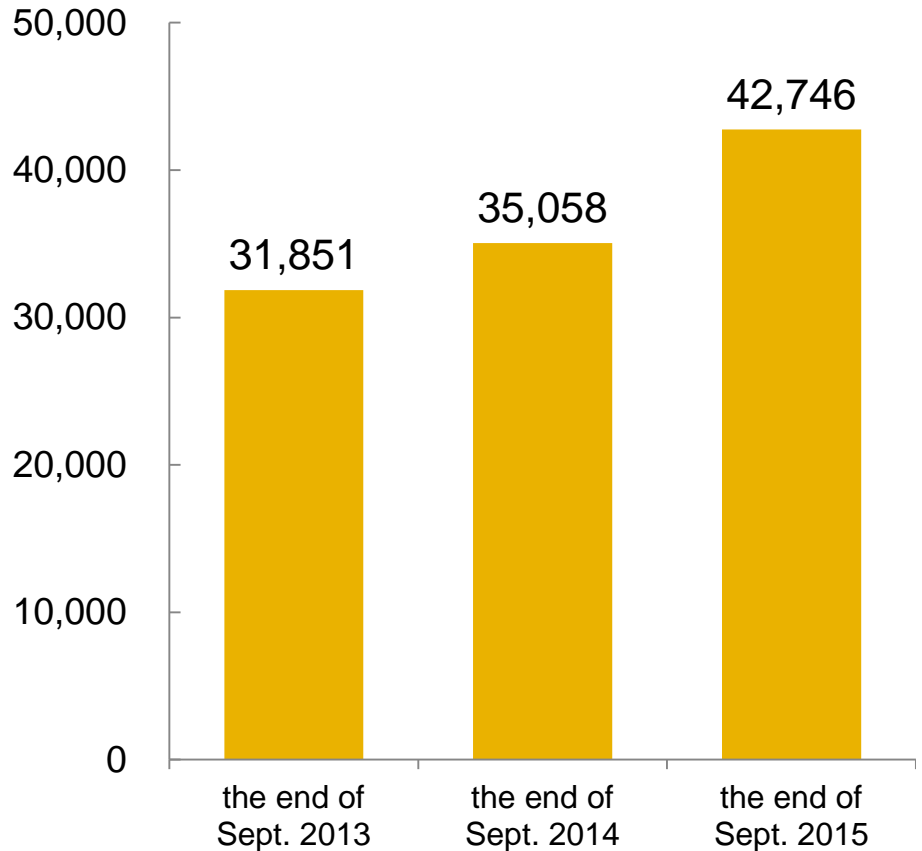
[SBI SSI] (Acquired in Mar. 2012)
[Earthquake indemnity insurance]

Number of contracts



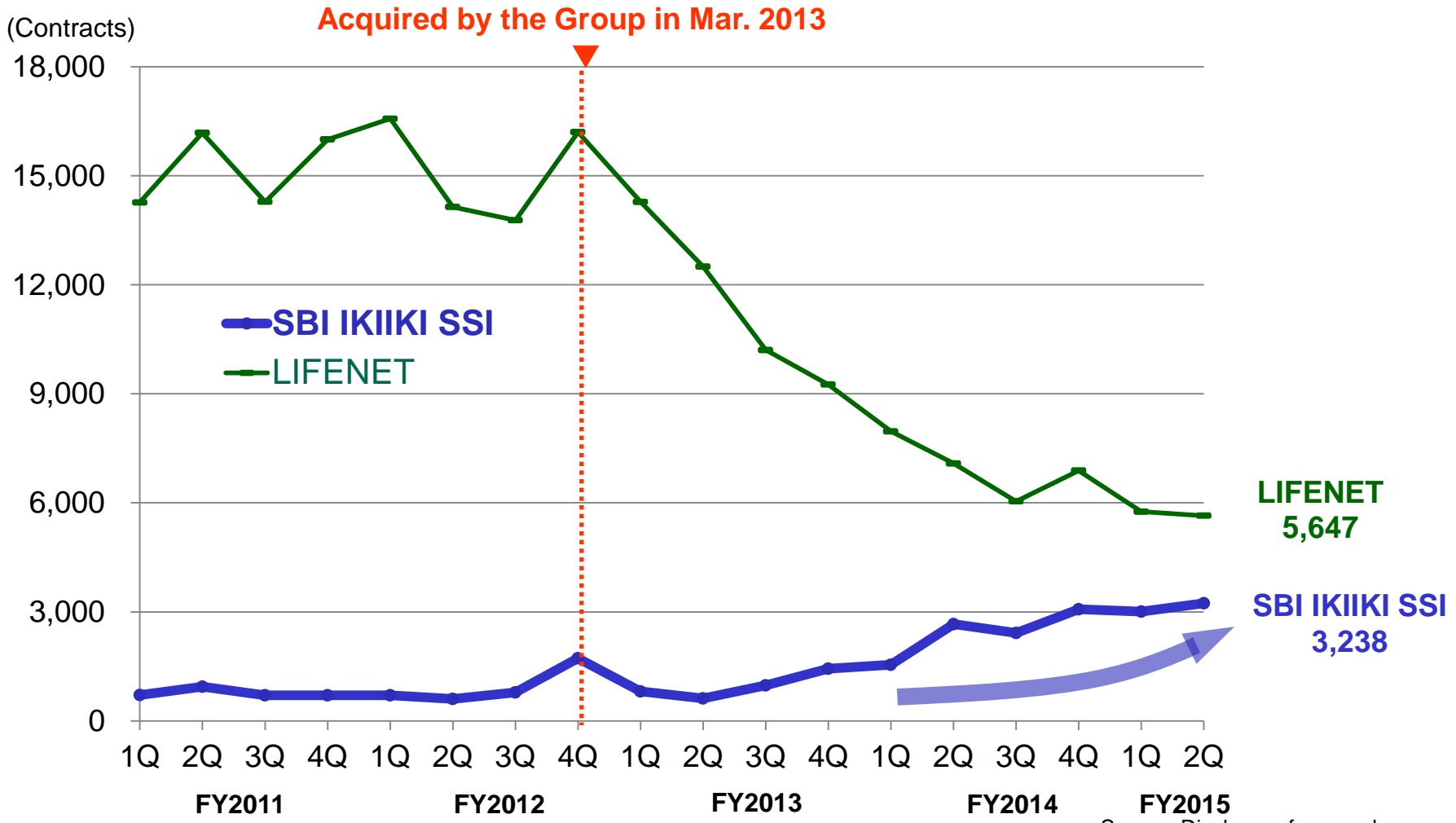
[SBI IKIKI SSI] (Acquired in Mar. 2013)
[Death insurance, Medical insurance]

Number of contracts



Number of Newly Acquired Contracts of SBI IKI IKI SSI

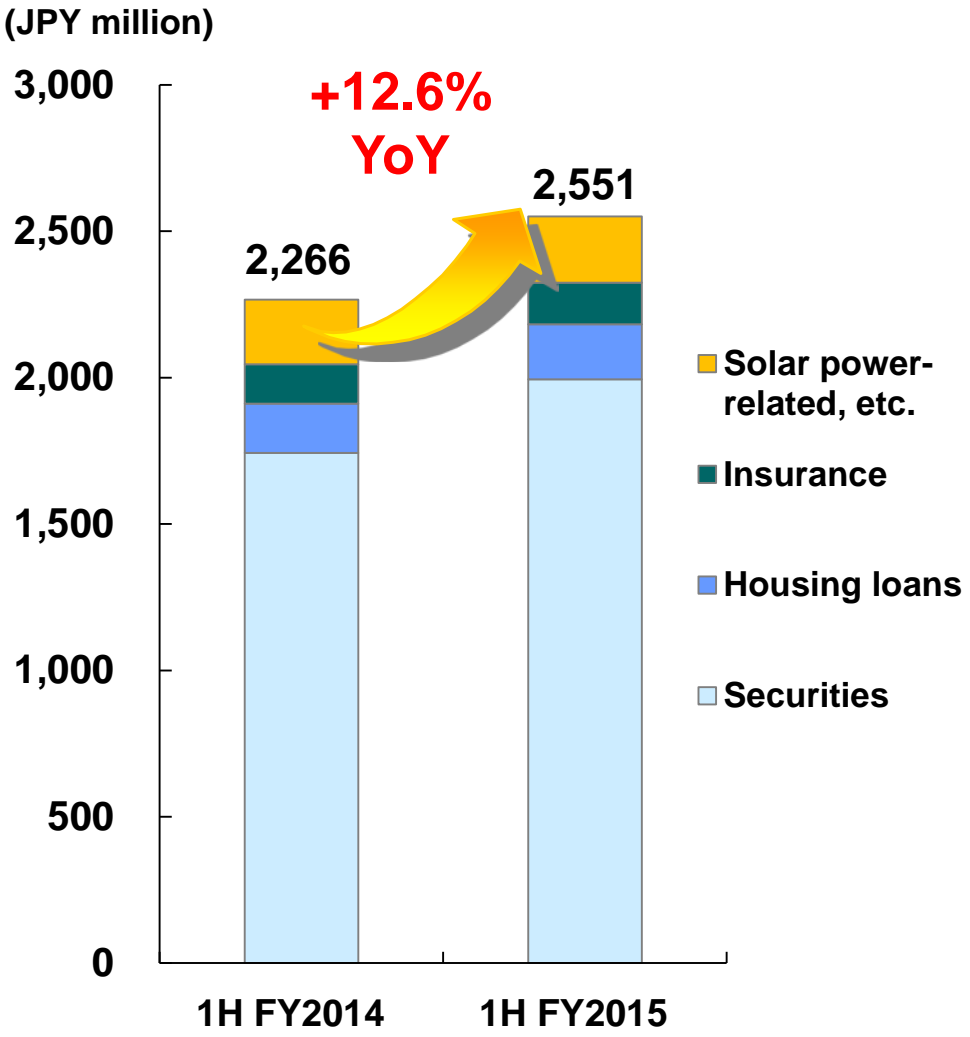
Quarterly Number of Newly Acquired Contracts



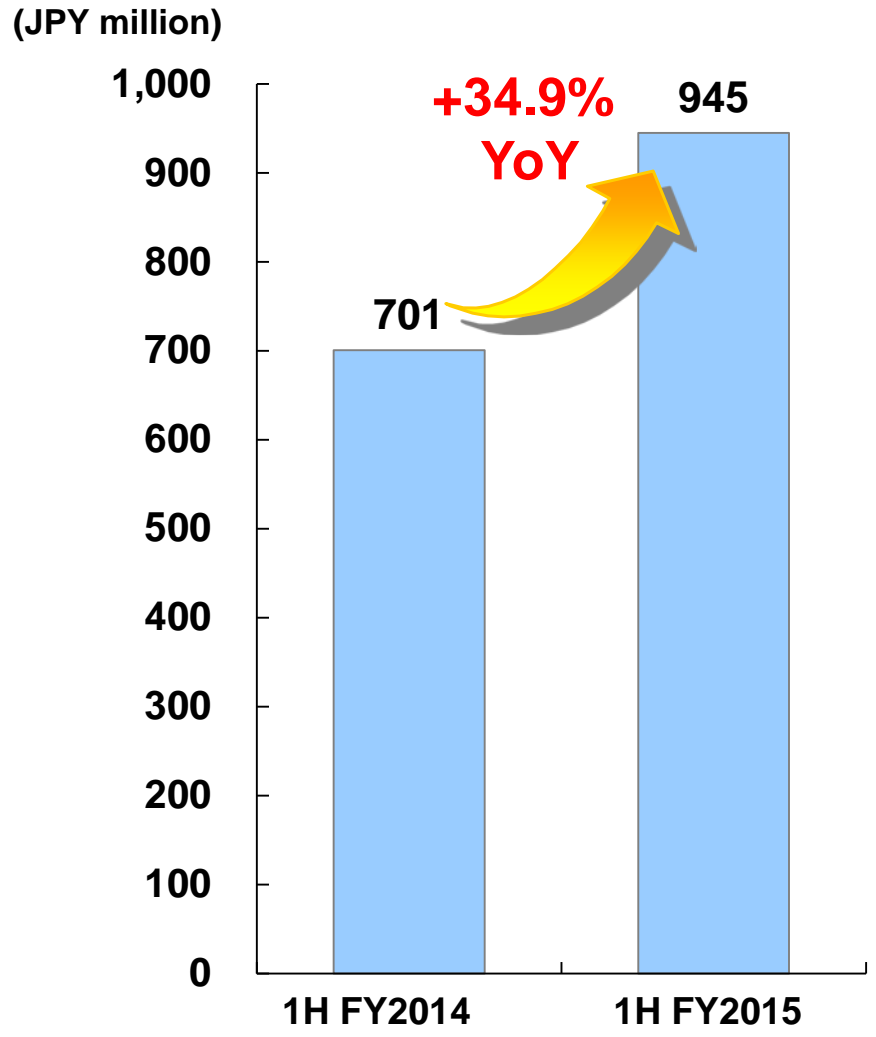
Source: Disclosure from each company

Achieved Increases in Both Revenue and Profits, Owing to the Successful Strengthening of the Revenue Base (Customer Deposit Assets Exceeded JPY 543.7bn) and Diversification of Revenue Sources

Operating Revenue



Operating Income



② Asset Management Business

- **2Q FY2015 (July-Sept.) results were affected by a strong JPY and the stock market correction effected by the China Shock, which led to a significant recognition of fair value loss on listed securities held**
- **SBI Savings Bank of South Korea's 2Q (July-Sept.) results declined, owing to an extraordinary factor (losing a trial), but profitability was strengthened through a decline in the delinquency ratio and an increase in performing loans**
- **Morningstar Japan's 1H FY2015 results achieved a significant increase in both revenue and profit, and exceeded its historical highs in terms of operating income, ordinary income and net income**
- **Twenty IPOs or M&As of the SBI Group investee companies are expected for FY2015.**

Affected by a Strong JPY and the Stock Market Correction Effected by the China Shock, there was a Significant Recognition of Fair Value Loss on Listed Securities Held

Quarterly profit/loss related to fair value in FY2015

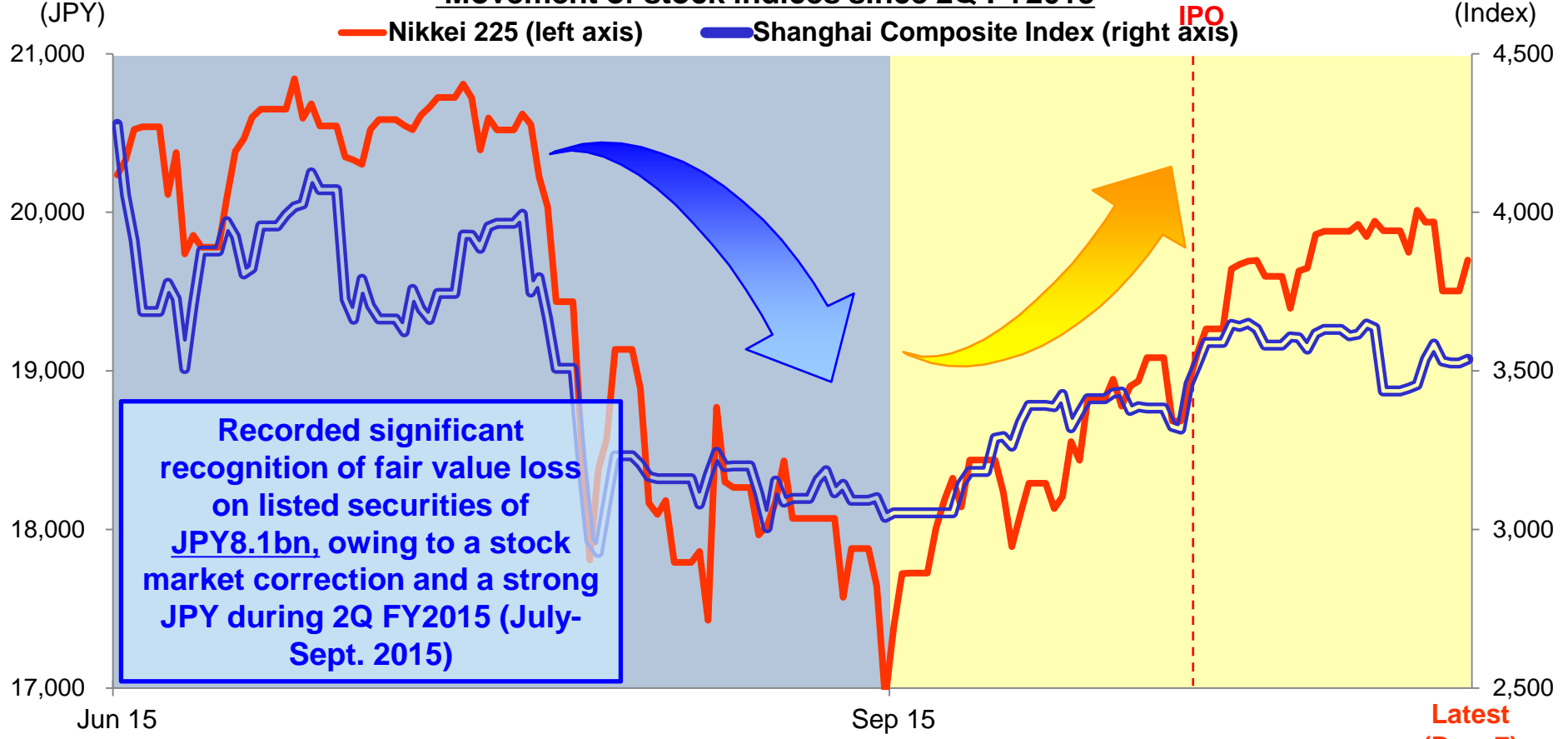
(IFRS, JPY billion)

	1Q (Apr.-June 2015)	2Q (July-Sept. 2015)
Revenue	24.5	12.3
Profit before income tax expense	4.4	-4.5
Profit/loss from the change in fair value and profit/loss on sales of investment securities	3.3	-4.8
<u>Unlisted Securities</u>	0.1	3.3
<u>Listed Securities</u>	3.2	-8.1

<Reference>
Unrealized gains of
JPY 3.4bn
versus
acquisition cost
(As of the end
of Sept. 2015)

Recent Stock Market Conditions are Headed toward Recovery, along with a Weakening JPY

Movement of stock indices since 2Q FY2015



USD 1=JPY **122.5** → 2.2% high (negative effect) → USD 1=JPY **119.8** → 2.9% low (positive effect) → USD 1=JPY **123.3** (Latest (Dec. 7))

[Change from the end of Mar. 2015]
Nikkei 225: +5.4%
SHCOMP: +14.1%

[Change from the end of June 2015]
Nikkei 225: -14.1%
SHCOMP: -28.6%

[Change from the end of Sept. 2015]
Nikkei 225: +13.3%
SHCOMP: +15.9%

SBI Savings Bank of South Korea's Quarterly Profit for 2Q FY2015 Declined Quarter-on-quarter, Owing to an Extraordinary Cause (Losing a Trial)

2Q FY2015 Results

(SBIH's consolidated accounts basis; IFRS)

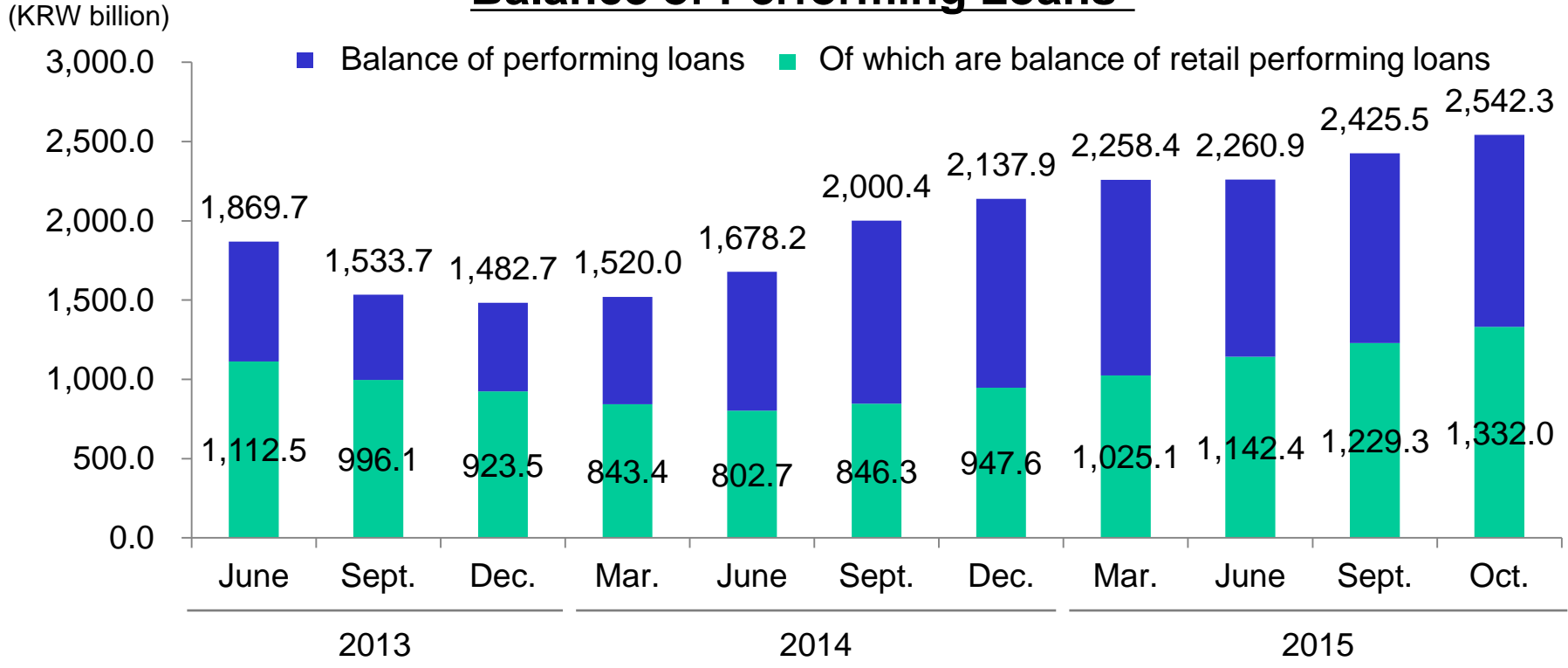
(JPY million)

	1Q FY2015 (Apr. 2015-June 2015)	2Q FY2015 (July 2015-Sept. 2015)
Revenue	11,451	8,274
Expense	-9,431	-6,929
Profit before income tax expense	2,020	1,345

Recorded a provision etc. of approx. JPY 1.0bn, owing to causes such as losing a court trial case

With an Increase in Performing Loans, Primarily in the Retail Sector, Recent Results on a K-GAAP Basis has been Steady

Balance of Performing Loans*



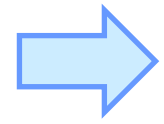
**Monthly Average of 1Q FY2016
(July-Sept. 2015)**

**Oct. 2015
(QE)**

**Operating
Income***

:

KRW 4.6bn



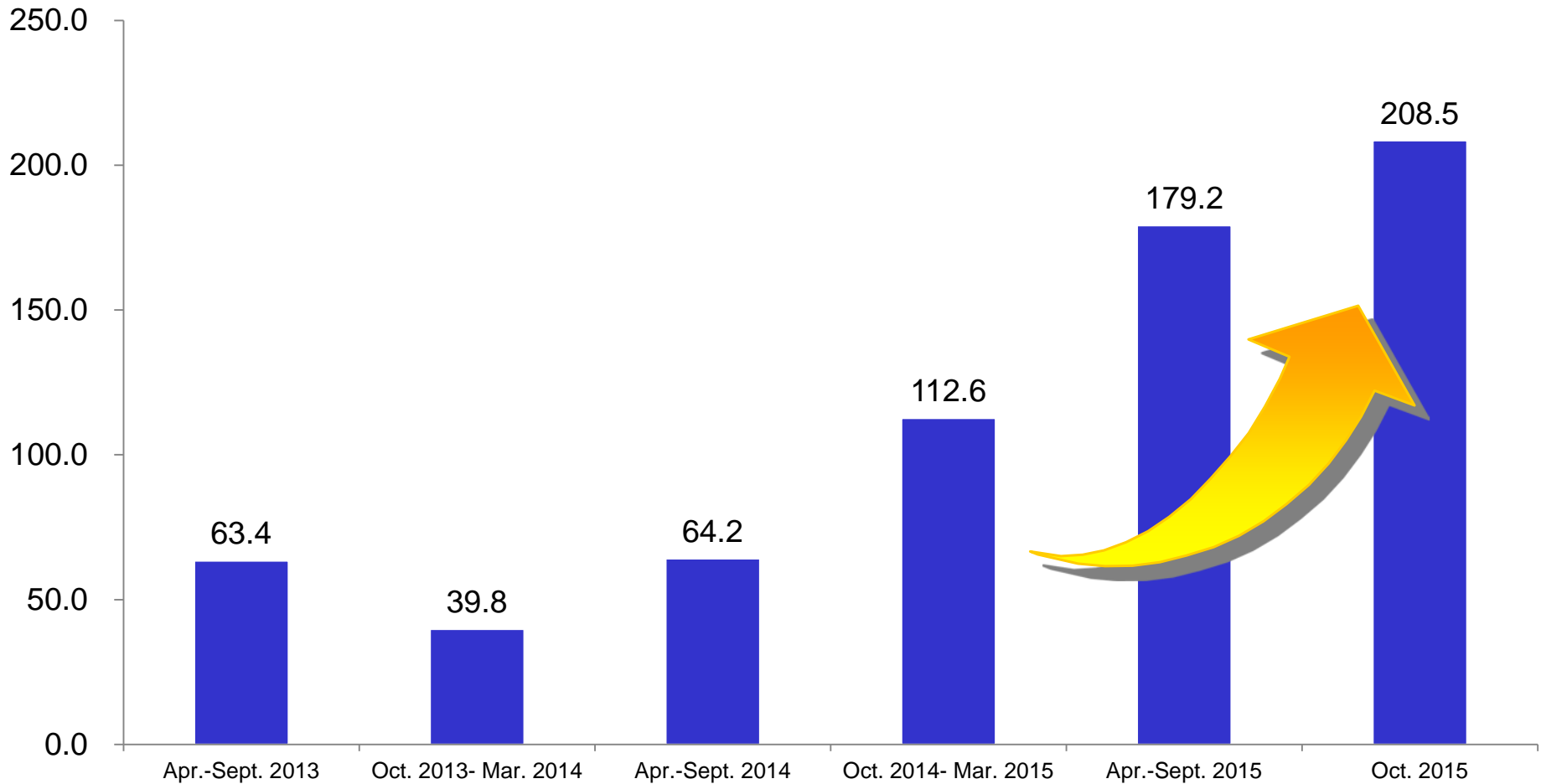
KRW 6.2bn

* Based on K-GAAP

Through the Strengthening of Sales Activities and the Launch of New Products, New Credit Acquisition Amount in the Retail Sector Increased Significantly

Change in New Retail Credits (Monthly Average)*

(KRW billion)

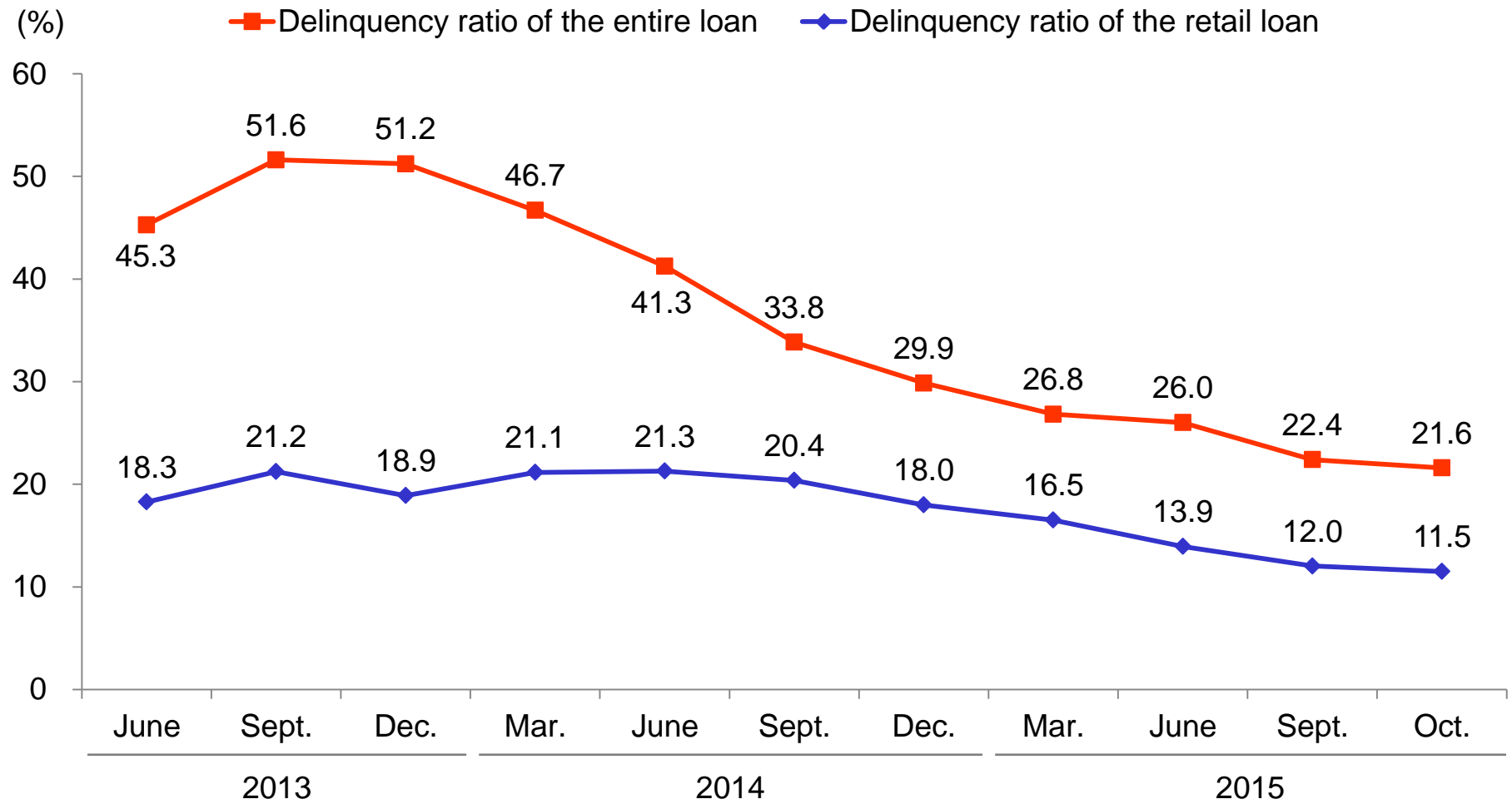


*Based on K-GAAP



SBI Savings Bank's Loan Quality Improved Significantly, with the Retail Loan Delinquency Ratio Declining to 11.5% at the End of Oct.

Change in Delinquency Ratio



*Based on K-GAAP 43

Plans to Release a New Medium Interest Rate Product in Response to a Government Request for Savings Banks to Lower Interest Rates on Loans

- ◆ **Since some Korean savings banks make loans at high interest rates exceeding 30%, a proposed law amendment to lower the legal maximum interest rate (34.9% per year) is being deliberated in the Korean National Assembly. The maximum interest rate is expected to be lowered before the end of the year following passage of the bill.**
- ◆ **SBI Savings Bank has been working to optimize interest rate levels by utilizing the SBI Group's experience and expertise cultivated in the financial industry in Japan, since becoming a consolidated subsidiary of the SBI Group. Since average interest rate of retail loans at SBI Savings Bank is currently around 16%, the impact of this matter on the bank will be minor.**

Planning to release a new medium interest rate product (10% level per year)

Morningstar Japan's 1H FY2015 Operating Income, Ordinary Income and Net Income Achieved Historical Highs

Consolidated Results (J-GAAP)

(Unit: JPY million)

	1H FY2014 (Apr.-Sept. 2014)		1H FY2015 (Apr.-Sept. 2015)		YoY % change
	Amount	Income margin (%)	Amount	Income margin (%)	
Net Sales	1,930	-	2,337	-	21.1
Operating Income	552	28.6	Historical high 760	32.5	37.5
Ordinary Income	563	29.2	Historical high 762	32.6	35.2
Net Income	353	18.3	Historical high 502	21.5	42.0

(Note) Operating income, ordinary income and net income exceeded the past historical highs on a half-yearly basis including 2H.

IPO and M&A Deals Prospect for FY2015

	Up to FY2013	Full-year FY2014	Full-year FY2015 prospect
IPO·M&A deals	170	14	20

In FY2015, 11 companies have conducted IPOs

EXIT Date	Company	Market (Country)	EXIT Date	Company	Market (Country)
Apr. 8	SanBio	TSE Mothers	July 9	Natural FNP	KONEX (Korea)
Apr. 21	CRE	TSE 2nd Section	July 28	Plumblin Life Sciences	KONEX (Korea)
May 29	GENOFOCUS	KOSDAQ (Korea)	Aug. 17	Fine-tech	KOSDAQ (Korea)
June 26	Corestem	KOSDAQ (Korea)	Sept. 11	Boditechmed	KOSDAQ (Korea)
June 29	Bio-core	KONEX (Korea)	Sept. 17	Brangista	TSE Mothers
June 30	Utech	KOSDAQ (Korea)			

An IPO of a promising U.S. biotech investee company on the NASDAQ is planned in SBI's 4Q FY2015 (Jan.-Mar. 2016)

③ Biotechnology-related Business

- **Within the drug discovery pipeline of Quark Pharmaceuticals, Inc., a wholly-owned subsidiary of SBI Biotech, received an upfront fee of USD 20m, resulting in a significant reduction of a deficit in the Biotechnology-related Business**
- **SBI ALApromo reduced its deficit through higher sales of health foods and cosmetics containing 5-ALA, and curtailed its SG&A expenses**

Profit Before Income Tax Expense of the Biotechnology-related Business (IFRS)

(JPY million)

		1H FY2014		1H FY2015
Total of the Biotechnology-related Business		-1,751		-242
	SBI Biotech (cons.)	-971	① →	339
	SBI Pharmaceuticals	-518		-557
	SBI ALApromo	-307	② →	-54

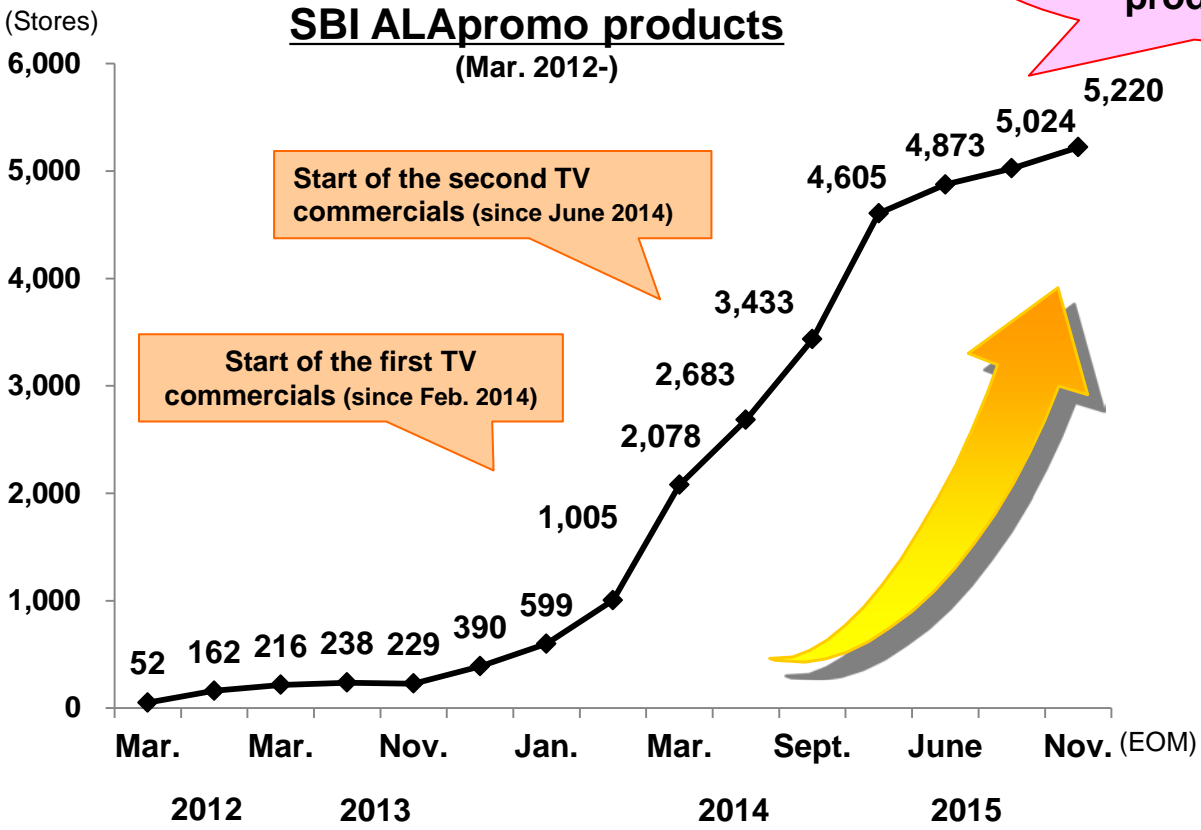
- ① Within the drug discovery pipeline of Quark Pharmaceuticals, Inc., a wholly-owned subsidiary of SBI Biotech, SBI Biotech has received an upfront fee of USD 20m, resulting in an improvement from a loss in 1H FY2015
- ② While SBI ALApromo achieved a sales increase through retail stores and other channels, it cut SG&A expenses by implementing more efficient promotions and thereby reduced the deficit year-on-year.

Progress of SBI Biotech's Principal Drugs Pipeline

	Licensing partner	Adaptation disease	Progress	
QPI-1002	Novartis International AG	Kidney Transplantation (DGF)	Phase III	Near completion of preparations for a clinical trial at 70 institutions, primarily in the U.S., as well as in Canada, Germany, Brazil and other countries. First administration to patients expected in Dec. 2015
		Acute kidney injury (AKI)	Phase II	Near completion of preparations for a clinical trial at 50 institutions, primarily in the U.S. and Germany. First administration to patients expected in Dec. 2015
QPI-1007	Biocon Ltd (India's Major Pharmaceutical Company)	Non-arteritic anterior ischemic optic neuropathy (NAION)	Phase II / III	Completion of preparations for a clinical trial in the U.S. Beginning to recruit patients, first administration to patients expected in Dec. 2015 Planned start of a clinical trial in China and India as well depending on regulatory approval
		Acute angle closure glaucoma	Phase II	Completion in June 2015 of a small-scale clinical trial (46 patients) conducted in Vietnam and Singapore. Planned completion of a final results report around Feb. 2016
PF-655	Pfizer Inc.	Glaucoma	Phase IIa	Start of Phase II a protocol finalization
		Diabetic macular edema (DME)	Completed Phase IIa	Planned start of development plan revision following initiation of a clinical trial for glaucoma
Anti-ILT7 antibody	MedImmune, LLC. (Subsidiary of AstraZeneca)	Autoimmune diseases	Pre-clinical	Development proceeding with no particular problems

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

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

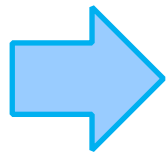


The number of stores that offer SBI ALApromo products topped 5,000

“ALApplus Drink,” a beauty drink, which was launched in Aug. 2015, has secured orders for its first production batch (approx. 80,000 bottles)

We will continuously expand sales in pharmacies, drugstores and beauty salons and others

2. How do you see the current business environment surrounding the SBI Group?



Seized upon as another rapid growth stage since the Company's inception

Business Environment During SBI Group's Inception

[Two big trends underling the rapid growth of the SBI Group during its inception in 1999]

Internet Revolution

- Widespread use of PC
- Promotion of broadband, ...etc.

Financial Deregulation

- Lifting of ban on financial holding companies
- Deregulation of stock commissions, ...etc



The SBI Group has achieved a rapid growth that spans 16 years since its inception, by providing a highly convenient and low-cost financial services as a "FinTech" company by utilizing the Internet

Further Evolution and Enhancement of the Internet




**Online
communication**



**Technological
innovations made price
reduction and high-speed
wide-bandwidth data
transmission possible**



**Mobile
(Smartphones)**



**Limitations of time and
location have disappeared,
owing to the technological
developments that enable
constant/occasional
connections**



**The financial sector's growth accelerated, owing to its
high affinity with the Internet**

Rapid Expansion of the Internet Finance Sector (Securities)

Transition of the Number of Accounts of the Online Securities

(Oct.1999 – Mar. 2015)

(): Proportion of SBI SECURITIES

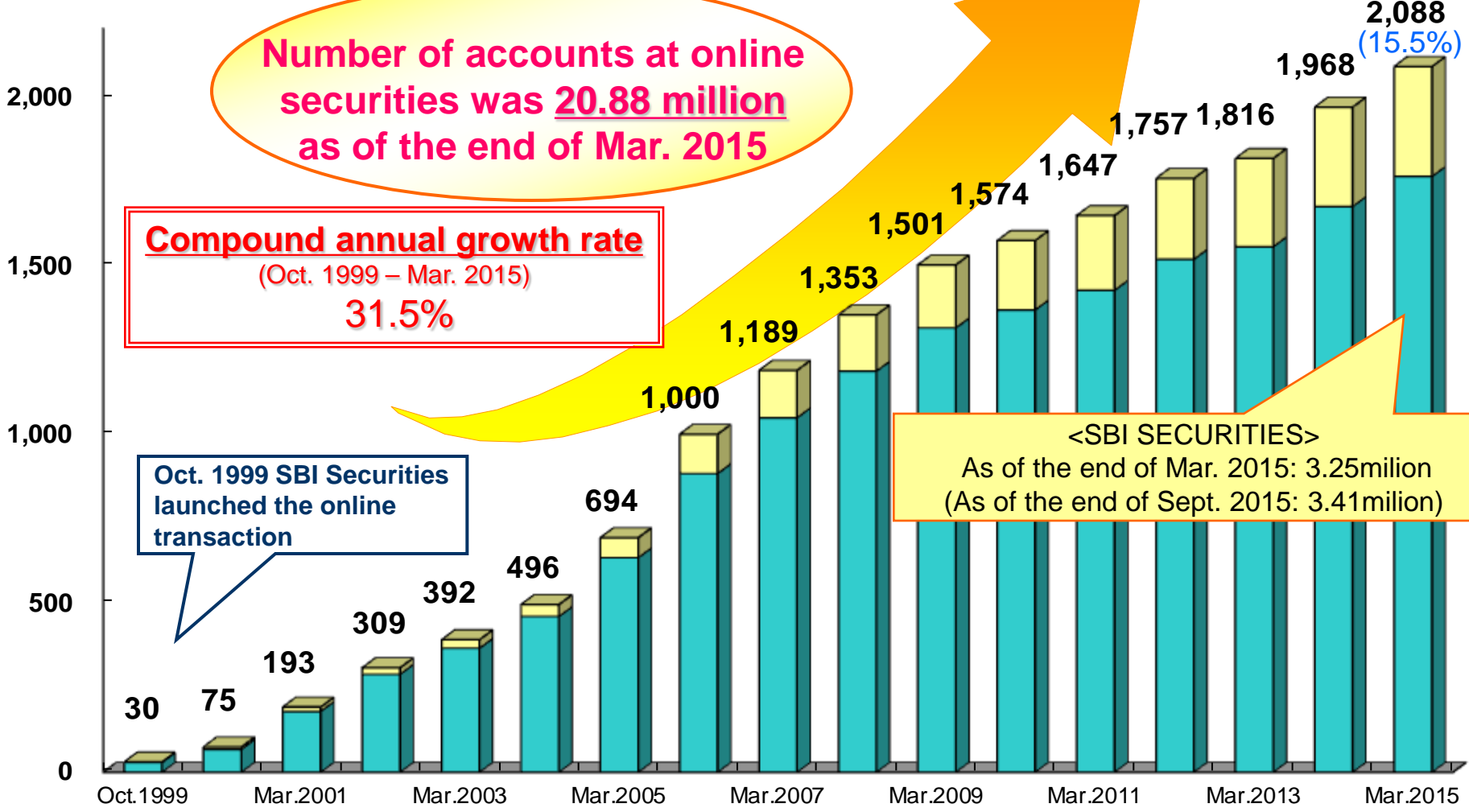
(ten thousands)

Number of accounts at online securities was 20.88 million as of the end of Mar. 2015

Compound annual growth rate (Oct. 1999 – Mar. 2015) 31.5%

Oct. 1999 SBI Securities launched the online transaction

<SBI SECURITIES>
As of the end of Mar. 2015: 3.25million
(As of the end of Sept. 2015: 3.41million)



Source: Japan securities dealers association, "Survey of Online Trading" (Mar. 2015), records began in Oct.1999

Continuously Achieving a High Customer Satisfaction Assessment [SBI SECURITIES]



1st

“Oricon customer satisfaction ranking” of 2015
[Online securities comprehensive ranking]
<Evaluation item>

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

**For 9
years!!
First ever**

Customer Service Center



HDI (Help Desk Institute) Certification in 2015
[Securities Industry]
“Call-center Contact Ranking”
Achieved the highest rank “three stars”

**For 6
years!!**



**Highest
Award for
the
Category**

“CCJA 2015” (12th Contact Center Award)
Received the highest award for “Best Operation” category

**For 5
years!!
First ever**



**Chairman's
Prize**

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

**Prized 4
years in a
row!!**

Official Website



HDI (Help Desk Institute) Certification in 2015
[Securities Industry]
“Support Portal Raking (Official Website)”
Achieved the highest rank “three stars”

**6th time
5 years in
a row!!**

Rapid Expansion of the Internet Finance Sector (Banking)

In Japan, Sumitomo Mitsui Banking Corporation started online banking service in Jan. 1997, followed by other financial institutions launching online services. In the 2000s, pure-play Internet banks entered the market.

Transition of the Number of Accounts of 6 Pure-play Internet Banks* in Japan
(end of Mar. 2001 – end of Sept. 2015)

(): Proportion of SBI Sumishin Net Bank

14,788

14,108 (16.6%)

12,693

11,515

10,435

9,074

8,085

6,774

5,207

4,097

3,257

2,428

1,804

1,321

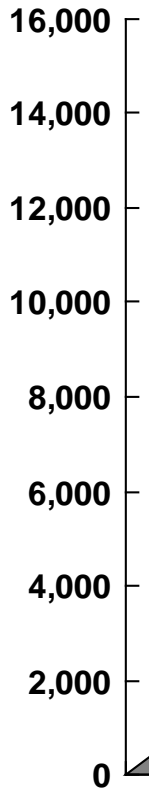
756

90

Number of accounts of six major online banks topped 14.79million as of the end of Sept. 2015

Compound annual growth rate (Mar. 2001 – Sept. 2015) 42.2%

(ten thousands)



Mar. 2001 Mar. 2002 Mar. 2003 Mar. 2004 Mar. 2005 Mar. 2006 Mar. 2007 Mar. 2008 Mar. 2009 Mar. 2010 Mar. 2011 Mar. 2012 Mar. 2013 Mar. 2014 Mar. 2015 Sept. 2015

* Compiled by SBI Holdings based on each companies' public materials.

Pure-play-internet Banks are SBI Sumishin Net Bank, Japan Net Bank, Sony Bank, Rakuten Bank, Jibun Bank, and Daiwa Next Bank

Continuously Achieving a High Customer Satisfaction Assessment [SBI Sumishin Net Bank]

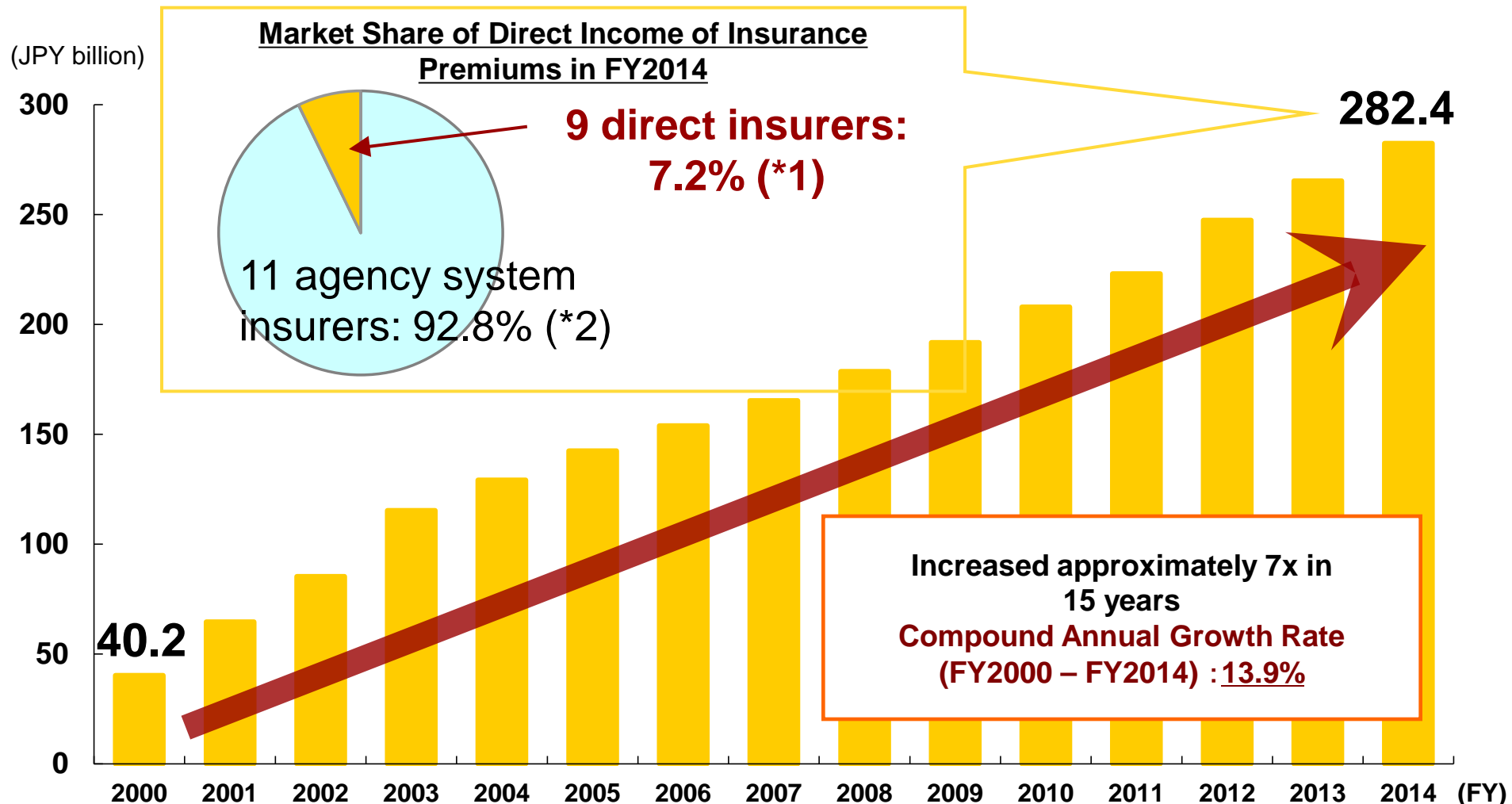
	1st “Oricon customer satisfaction ranking” of 2015 [Online banking]	5th time
	1st JCSI Customer Satisfaction Survey (Japanese Customer Satisfaction Index) Banking industry	For 7 years!
	1st “10th Nikkei Financial Institution Ranking” Customer Satisfaction by generations, 20s and 30s	For 2 years!
	1st JMA Research “Assessment of Mortgage Products” by mortgage personnel	For the first time!

Appraised as No. 1 among the 7 banks (*) in all 5 categories, which were: “Mortgage which you want to utilize,” “Mortgage which you want to recommend,” “Mortgage which interest is attractive,” “Mortgage which has best collection of ancillary services,” and “Mortgage which is reliable in an emergency.”

* The comparison among 4 city banks (The Bank of Tokyo-Mitsubishi UFJ, Mizuho Bank, Sumitomo Mitsui Banking Corporation and Resona Bank) and 3 Internet banks (SBI Sumishin Net Bank, Sony Bank and Rakuten Bank)

Direct Nonlife Insurance Sales Continue to Increase Steadily in Japan

Change in Direct Income of Insurance Premiums at 9 Direct Insurers



(*1) 8 direct insurers: Sony Insurance, Mitsui Direct, Sonpo 24, E. design, Zurich, AXA, American Home, SAISON AUTOMOBILE&FIRE INSURANCE, SBI Insurance
 (*2) 11 agency system insurers: Tokio Marine & Nichido Fire Insurance, Sompo Japan, Mitsui Sumitomo Insurance, Aioi Nissay Dowa Insurance, NIPPONKOA Insurance, Nisshin Fire & Marine Insurance, THE FUJI FIRE AND MARINE INSURANCE, Kyoei Fire & Marine Insurance, SECOM General Insurance, ASAHI FIRE & MARINE INSURANCE, Daido Fire Insurance. (Source) Compiled by SBIH from information disclosed by each company.

Continuously Achieving a High Customer Satisfaction Assessment [SBI Insurance]



1st

Diamond Weekly
“Auto Insurance Premium Ranking”

* In the Jan 17, 2015 special issue

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



1st

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



1st

Kakaku.com / Auto Insurance Satisfaction Ranking
(2015) Premium Section



1st

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










HDI-Japan HDI’s Call-center Customer Satisfaction
Ratings 2015
Top “three-star” rating in the Support Portal
(Official Website) and Call-center Contact
Category



SBI Holdings' Transition Since Its Founding

(Established on July 8, 1999)

	Establishment 1999	End of Sept. 2015
Employees (cons.)	55 	5,464
Operating revenues (cons.)	0 	JPY 245.0bn (FY2014) Historical high
Consolidated subsidiaries	0 	138
Publicly owned companies	0 	5 (including SBIH) Peak time (FY2007): 11
Capital	JPY 50m 	JPY 81.7bn
Net assets	JPY 50m 	JPY 410.5bn
Group's customer base	0 	18,951 thousand

Current Trends Surrounding the Company

- (I) The global increase in the interest in FinTech companies, and the acceleration of the development of new technologies in the field**
- (II) In the overseas, the local governments (financial authorities) are aggressively promoting the Internet and mobile financial services**
- (III) Government-led initiatives for stock market revitalization in Japan**



All of these factors are basically a tailwind for the SBI Group's business development, allowing for the possibility of a new dramatic growth by riding the trend

Current Trends Surrounding the Company (I)

The Rising Global Interest in Fintech Companies, and the Acceleration of New Technological Developments

“Global investment in fintech ventures tripled to \$12.21 billion in 2014, clearly signifying that the digital revolution has arrived in the financial services sector. ... (Abbrev) ... established financial services players are starting to take bold steps to engage with emerging innovations.”

Accenture. “The Future of Fintech and Banking”

The opportunity is upon the SBI Group, which has been providing innovative services as a FinTech company with a spectrum of financial institutions, such as securities, banking and insurance under its aegis, to take a considerable leap forward

- ① Promoting “W FinTech” strategy by strengthening FinTech-related alliances**
- ② Expanding the Internet and mobile financial services through the utilization of new technologies**

① Promoting “W FinTech” strategy by strengthening FinTech-related alliances

[“W FinTech” Strategy that the SBI Group is Promoting]

1st Stage: The establishment of an Internet financial ecosystem

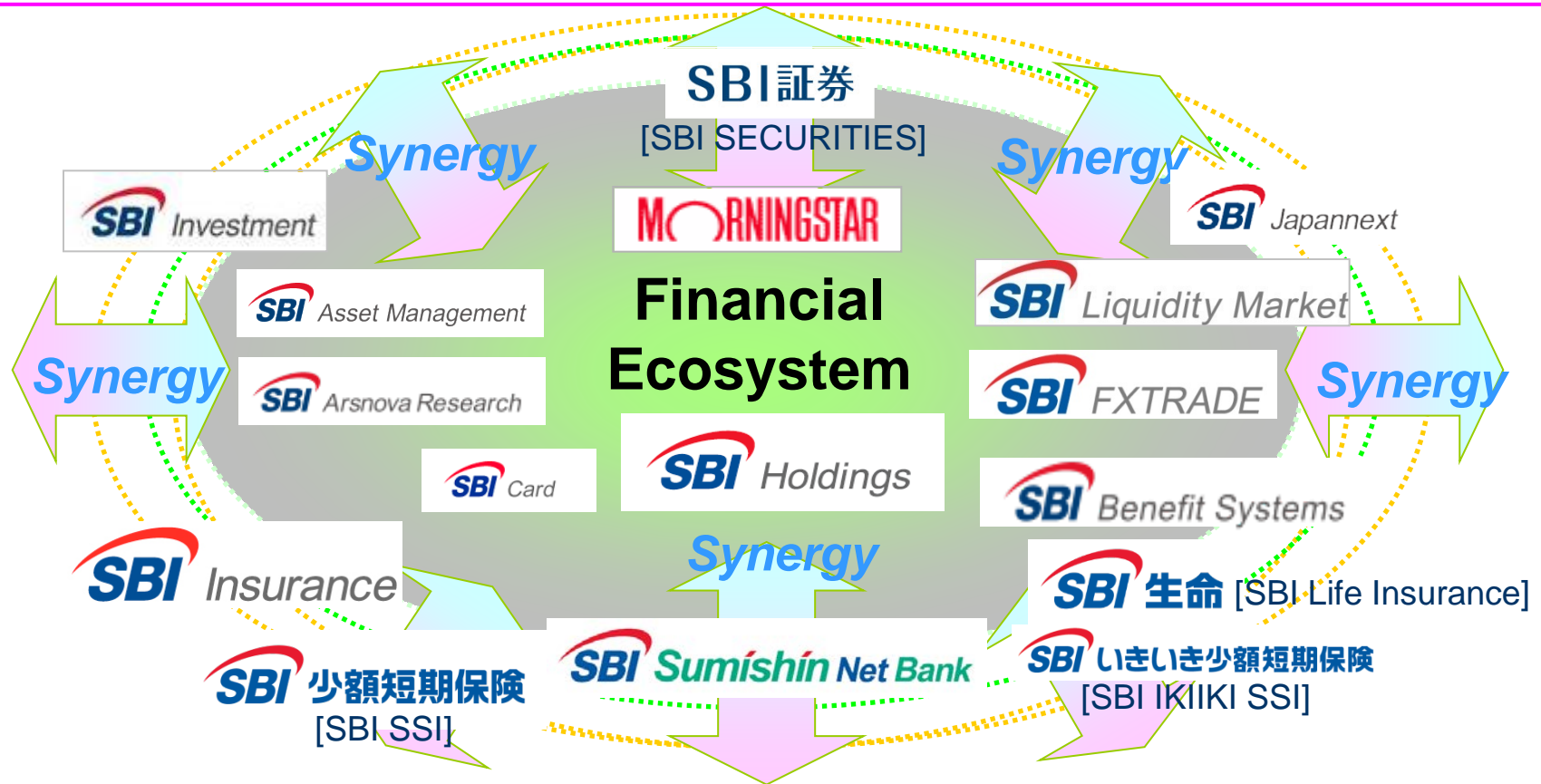
2nd Stage: Realization of synergies within the ecosystem

3rd Stage: Enhancing the business ecosystem through the cooperation with FinTech companies in Japan and abroad

4th Stage: The acceleration of growth through the integration of FinTech companies within the SBI Group

SBI Group's Establishment of the World's First Internet-based Financial Conglomerate in 16 Years Since Its Inception

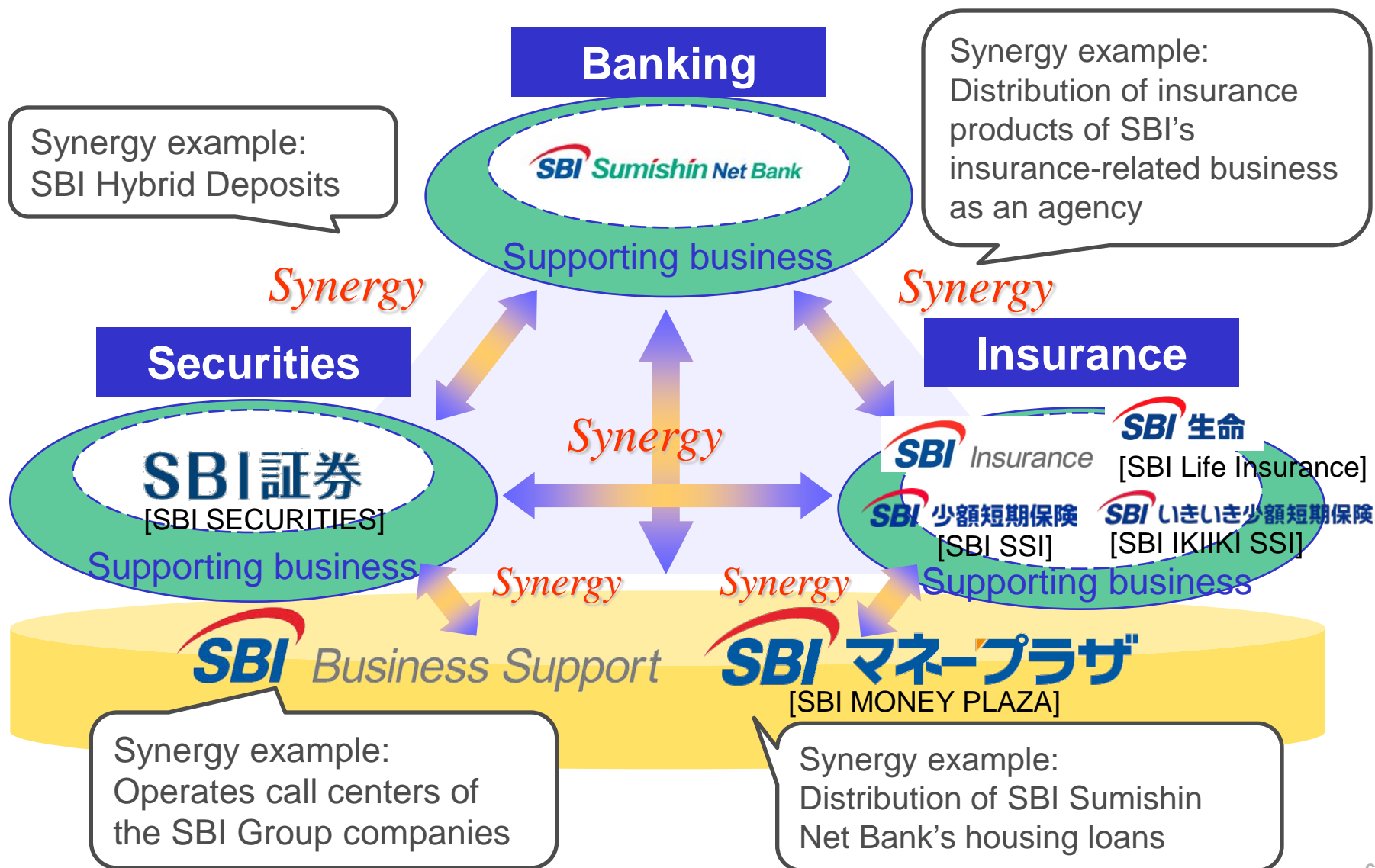
Oct. 1999: SBI SECURITIES commenced online trading service Sept. 2007: SBI Sumishin Net Bank commenced business
Jan. 2008: SBI Insurance commenced business Feb. 2015: Acquisition of PCA Life Insurance (Currently SBI Life Insurance)



Through the Group companies' creation of synergy and mutual evolution, realizing competitive advantages

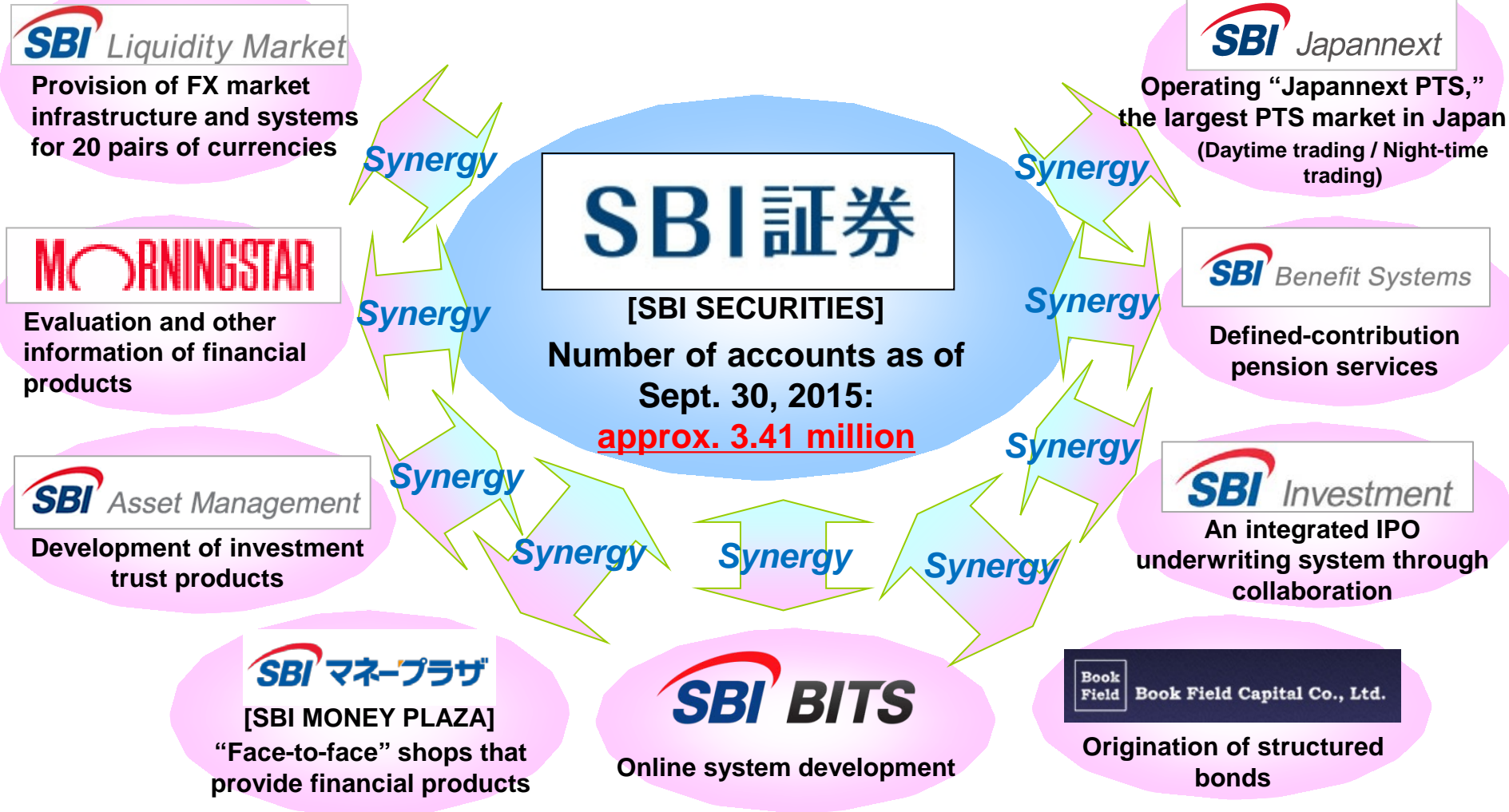
Thorough Pursuit of Various Synergies within the Group

Synergies between core businesses



Example: SBI SECURITIES and its Various Securities-related Supporting Companies

Striving to enhance competitiveness through differentiation and to grow further by fully utilizing group synergies



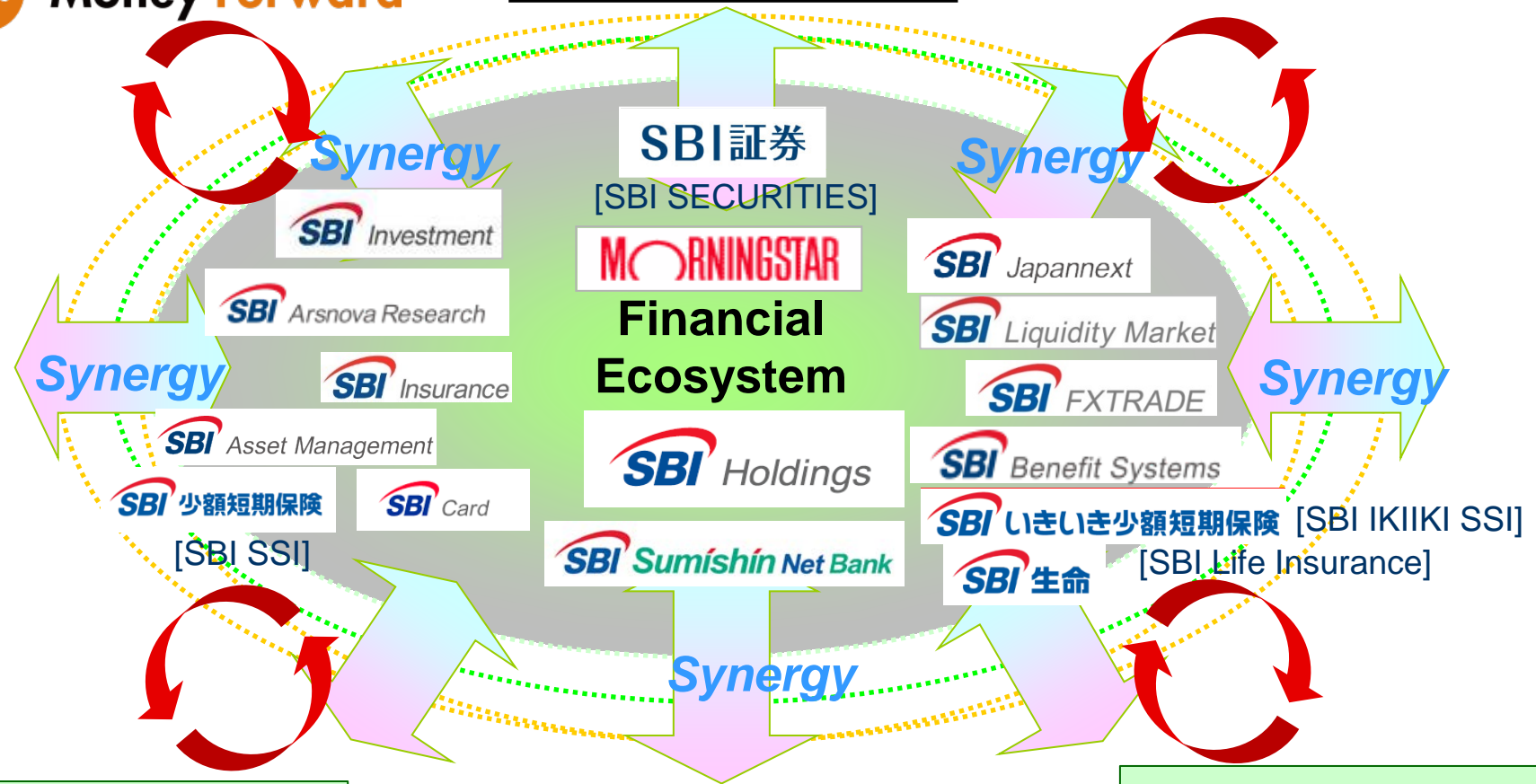
With the Growth of Internet and Mobile Technology Companies, Promoting “W FinTech Strategy” that Enhances the Business Ecosystem and Further Improves Customer Convenience, through Collaborations with External FinTech companies and SBI Group Companies

[Example of Alliance]



FinTech × FinTech

FinTech Companies



FinTech Companies

FinTech Companies

Example of cooperation with an external professional FinTech company:
SBI Sumishin Net Bank

SBI Sumishin Net Bank, in Cooperation with Money Forward, Promotes the Development of New Technologies and Services in the FinTech Field

1. Offering household account services for SBI Sumishin Net Bank
(Developing to offer “Money Forward for SBI Sumishin Net Bank” (tentative))



- Will be offered sometime during Nov. 2015
- This is the first time that Money Forward will be offering household account services for a domestic financial company

2. In discussions for a formal cooperation with “Money Forward,” and “Money Forward for SBI Sumishin Net Bank,” utilizing the API connection offered by SBI Sumishin Net Bank

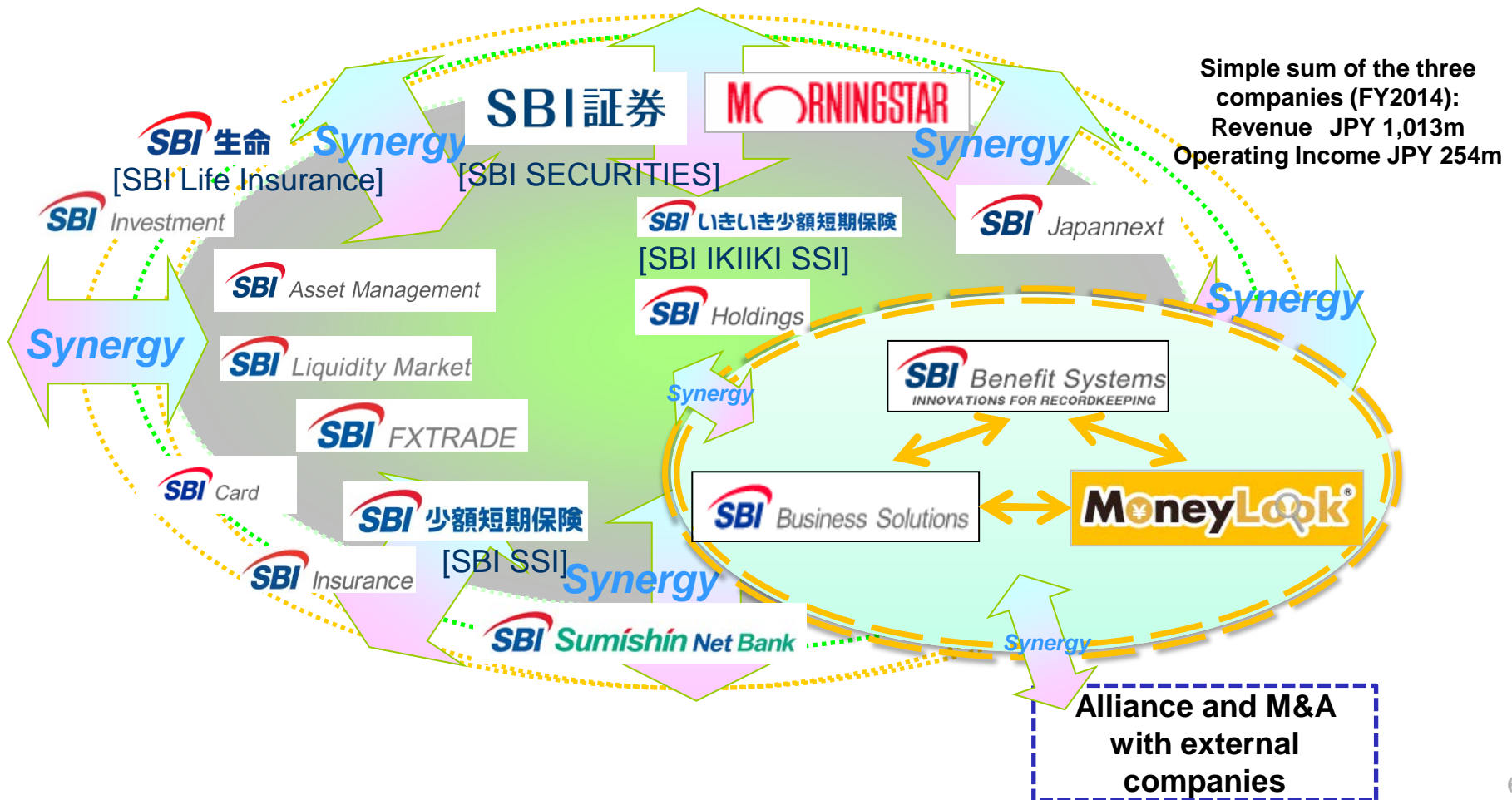


By formalizing a cooperation that utilizes the API connection that SBI Sumishin Net Bank offers, will be able to develop a more convenient and secure service

- API (Application Programming Interface)
Mechanism to enable the managing of data and software functions from an outside program source

Accelerating the Growth by Merging and Integrally Operating the FinTech Companies within the SBI Group as SBI FinTech Solutions (tentative name)

Synergies will be pursued between group companies having high affinity in areas such as “Client attributes,” “Product offerings” and “Providing means,” leading to the creation of a company that will become exchange listed, but may also consider alliances and/or M&A with external companies



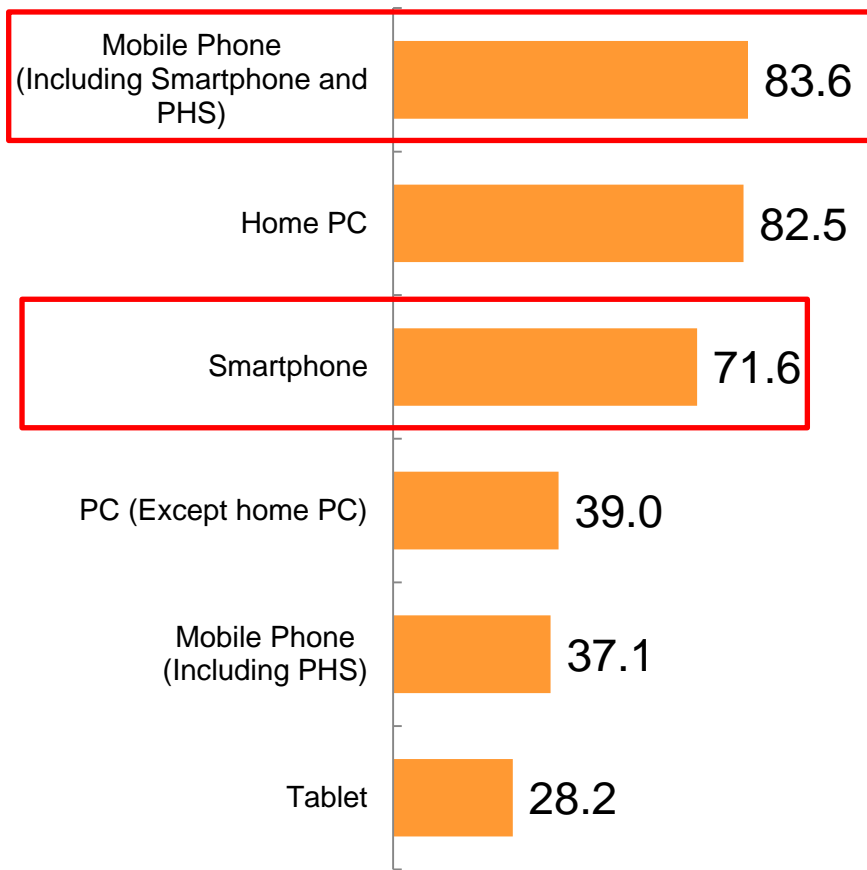
② Expanding the Internet and mobile financial services through the utilization of new technologies

- i. Aggressively promoting financial transactions through mobile devices, as the diffusion rate increases**
- ii. Promoting the use of Blockchain technology, which is expected to become a core technology for financial systems**
- iii. Promoting the development of personalized insurance products through the combination of insurance business and IoT technology**
- iv. In cooperation with investee companies, offering advanced cyber security solutions to combat the risk of cyber attacks in conjunction with the spread of IoT**

Aggressively Promoting Financial Transactions through Mobile Devices, as the Diffusion Rate Increases

Internet Usage through Information and Communication Devices (2014: %)

Internet usage through mobile phones exceeds PC usage



Source: MIC, "Communications Usage Trend Survey," 2014

SBI証券 [SBI SECURITIES]

Percentage of trades utilizing Smartphones

9.9% (the end of Mar. 2014) → **21.3%** (the end of Oct. 2015)
住信SBIネット銀行

SBI Sumishin Net Bank

Percentage of access to SBI Sumishin Net Bank's website through Smartphones

21.5% (the end of Mar. 2014) → **28.3%** (the end of Mar. 2015)

MORNINGSTAR

Percentage of access (users) of website through Smartphones and Smartphone Apps

34.4% (the end of Mar. 2015) → **48.0%** (the end of Oct. 2015)

E-LOAN

Percentage of loan applications through Smartphone

46.3% (1H FY2014) → **52.8%** (1H FY2015)

保険の窓
インズウェブ [Ins Web.]

Percentage of estimate requests for multiple automobile insurance policies through Smartphones

24.8% (1H FY2014) → **32.4%** (1H FY2015)

Promoting the Use of Blockchain Technology, which is Expected to Become a Core Technology for Financial Systems

Blockchain Technology

Blockchain is the core technology that supports virtual currencies such as Bitcoin, about which regulatory legislation is being discussed. It is a mechanism for recording the details of transfer of ownership in virtual currency transactions without the mediation or authentication of governments, financial institutions, or other specific third-party institutions.

Blockchain systems are simpler, cost less, and require less time than previous settlement systems.

Many financial institutions are taking notice of Blockchain as a new transaction infrastructure with a view to its introduction in financial systems that require rapid processing of large amounts of data.

Blockchain technology is under consideration for use in securities, banking, insurance, and other core financial sectors and many other infrastructures for managing transactions and contracts, such as real estate transactions.

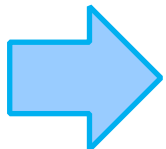
SBI Investment Invested in Orb, Inc., which is the First to Provide a Platform that Utilizes Blockchain Technology in Japan



Orb, Inc.

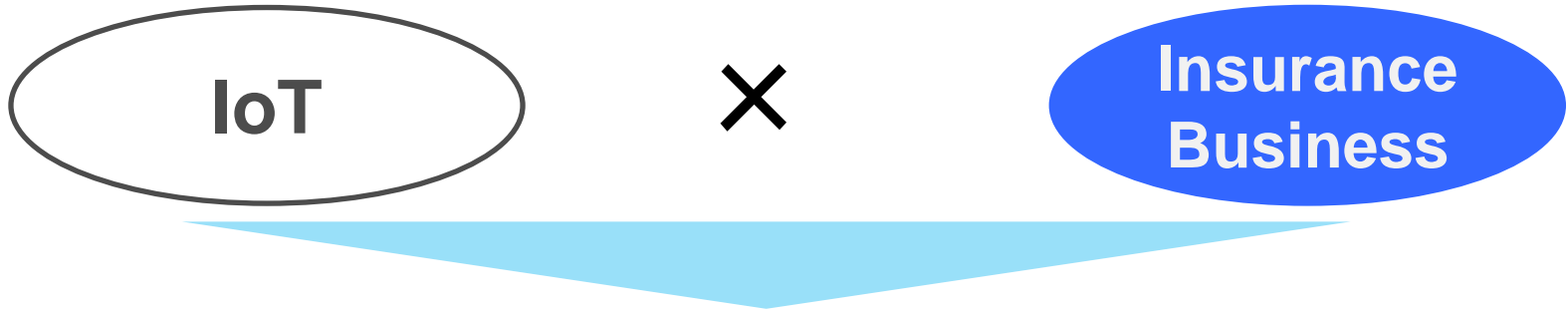
Business: Developing and providing Orb decentralized cloud computing system that utilizes Blockchain

- **By adopting a proprietary authentication algorithm, authentication processing in a large data center becomes unnecessary, resulting in an overwhelmingly low cost and short time authentication process**
- **Whereas the current Bitcoin blockchain system requires 10 minutes to authenticate a settlement, Orb can be processed in only 5 seconds, which is the fastest in the world for most authentication processes**
- **In Sept. 2015, released the first installment of a service using the “orb,” called “SmartCoin,” where anyone can easily issue and manage a virtual currency through the utilization of blockchain**
- **Planning to apply this technology to electronic contracts and IoT, in addition to settlements**

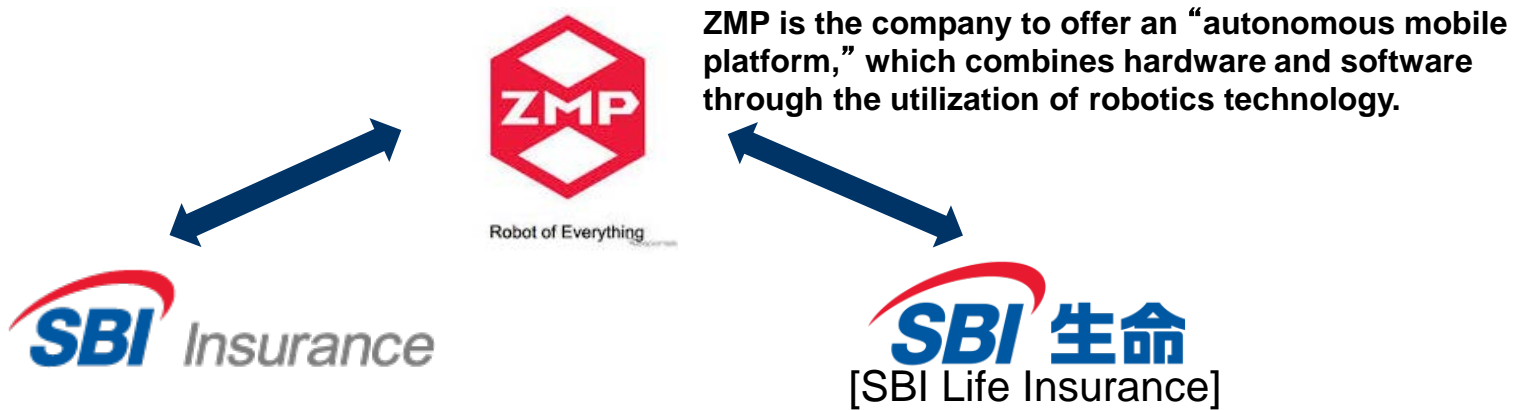


Considering investments into several venture companies that utilize blockchain technology in Japan and abroad

Promoting the Development of Personalized Insurance Products through the Combination of Insurance Business and IoT Technology



Development of Personalized Insurance Product for Life and Nonlife Insurance

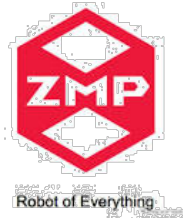


Promoting the development of personalized insurance products, where premiums are tailored and calculated according to each policy holder’s risk and characteristics, by utilizing telematics technology and wearable devices, through the cooperation with ZMP, a robotic venture company.

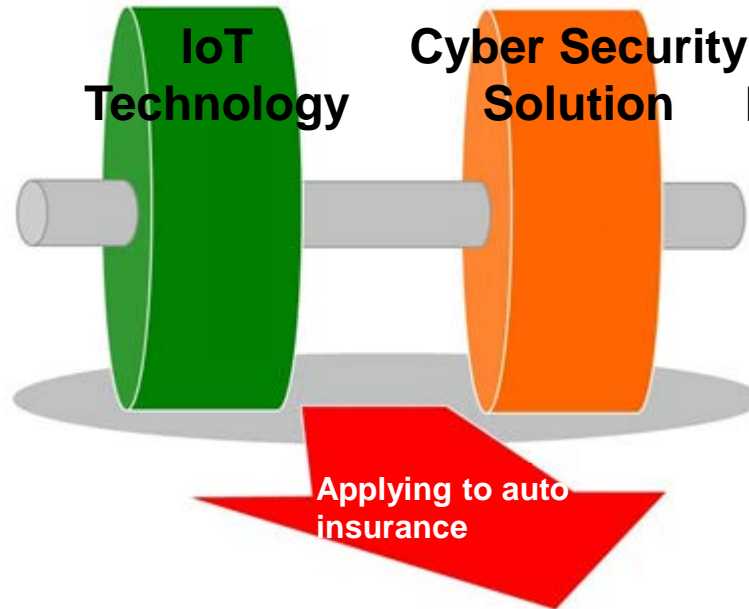
②-iv. Offering Cyber Security Solution Handling with Expanding IoT

In Cooperation with Investee Companies, Offering Advanced Cyber Security Solutions to Combat the Risk of Cyber Attacks in Conjunction with the Spread of IoT

Example:



Developing automatic driving system



Example:

SBI Investment's Investee Company



An Israeli company providing cyber security solutions for automobiles

- With the spread of IoT technology, while everything, including automobiles, in the world is now being connected through the Internet, the risk of cyberattacks on those devices connected through the Internet increases at the same time
- Auto insurance must respond to the increase in security risk, in addition to utilizing superior technology in the IoT field such as telematics

Considering the Development of a Business Cooperation with SBI Investment's Investee Company Argus' Cyber Security Solution for Automobiles through the Domestic Auto Insurance Business

Current Trends Surrounding the Company (II)

Overseas, Movements by Financial Authorities to Actively Promote Internet and Mobile Financial Services has Begun

Examples of government (financial authority) promotion of the above

China

- The Chinese government's finance-related department announced their first guidelines for the sound development and strengthened supervision of Internet financial services (July 18)
- At the Standing Committee of the State Council of the People's Republic of China, Li Keqiang, Premier of the People's Republic of China, articulated that further financial reforms will be promoted for the Shanghai Pilot Free Trade Zone (Oct. 21)

South Korea


- Toward the establishment of pure-play Internet banks, the Financial Services Commission, which is a national government agency, introduced a draft proposal that includes the deregulation of the current Banking Act (June 18)
- The Financial Services Commission announced that it is giving a preliminary approval for a pure-play Internet bank to consortiums lead by three companies, KT (largest telecom carrier), Daum Kakao (major IT company) and INTERPARK (major online shopping company) (Nov. 29)

Thailand

- SBI Thai Online Securities received the securities business license and commenced operations on Oct. as the first pure-play internet securities (Oct.16)

Current Trends Surrounding the Company (III)-1

With the Enactment of Abenomics, the Government Introduced Various Policies that are Expected to Positively Influence the Company's Business



Jan. 2014	NISA Started
June 2014	Announced Japan Revitalization Strategy (Revised in 2014) <ul style="list-style-type: none">·The establishment of a taxation system to facilitate companies to invest into venture funds·The promotion of a growth strategy for each region, with the innovation of SMEs and micro enterprises (regional revitalization), etc.
Oct. 2014	Raising upper limit amount of Defined Contribution Pension (corporate type)
Nov. 2015	Listing of the Japan Post Group's stocks on TSE
Jan. 2016	Expansion of the maximum annual tax-free amount of NISA (yearly JPY 1.2m) and start of Junior NISA
2017~	Expansion of targets for Defined Contribution Pension (individual type)

Current Trends Surrounding the Company (III)-1

Expressed Strengthening Growth Strategy and Fiscal Reconstruction in “Three New Arrows” Policies of Abenomics

Overview of “Three New Arrows” policies

The first arrow

~Strong Economy~
GDP to JPY 600tn

- Boosting nominal GDP from JPY 490tn of FY2014 to JPY 600tn
- Increasing employment for women, the elderly and handicapped people, and vitalizing the local economy



Strengthening growth strategy

If the economy continues to grow 3% nominally, it will be achieved within 5~6 years.

The second arrow

~Child-rearing Assistance~
Birth rate to 1.8

(by around 2025)

- Reducing the financial burden on child-rearing
- Offering free early-child education and supporting marriage and infertility treatment



Increasing GDP by enhancing the working rate of women by reforming the social security system

The third arrow

~Social Security System~
No one needs to leave their job to care for elderly parents

- Increasing the opportunities for the willing elderly to work



Reforming social security through fiscal reconstruction

With the Listing of Japan Post Group's Shares, Interest in Equity Investments by Individuals has been Heightened

Newspaper article

3-Japan Post firms' Shareholders to 1.7 million

"...On Nov. 2, it appears that the 3-Japan Post firms' shareholders will total more than 1.7 million people. This is almost twice the 90,000 shareholders of Mizuho, and will make it the largest shareholder base in Japan. Owing to its announced high dividend, it has become an unusually high individual shareholder composed entity."

Expecting a stimulation of the Japanese capital markets, with an acceleration of the the shift "from savings to investments,"

(Nov. 3, 2015 Sankei Shimbun)

Initiating Promotion Efforts to Utilize NISA Accounts

Newspaper article

While the utilization of NISA accounts is steadily expanding, in Jan. 2016 as a new promotion, [the rise in the tax-exempt investment ceiling is scheduled](#)

Junior NISA

- It starts in Jan. 2016 as a new NISA scheme.
- Minors will be able to open a NISA account with an annual tax-free amount of JPY 0.8m, expected to be used to save funds for education.
- It is attracting attention as an inheritance measure, since assets can be transferred up to the gift tax limit.

Workplace Savings NISA

- It is a service that enables executives and employees of companies, which have concluded agreements with financial institutions offering NISAs, to purchase stocks and investment trusts up to the NISA account investment limit through salary or bonus deduction or direct debit.
- It is planned to be adopted by the Financial Services Agency in 2016.

3. What are the focused measures that have been enacted to embody the further strengthening of continued growth and profitability?

- (1) The domestic financial services business will strengthen its efforts to enhance synergies and to further improve its earnings capacity, by hastening the introduction of new technologies in alignment with the trend of “PC to mobile,” along with a further enhancement of the analysis of Big Data**
- (2) Asset Management Business promotes a strategy of capturing the trend of the times both domestically and abroad**
- (3) Asset Management Service Business will promote an expansion of its product offerings to increase its operational scale**
- (4) Toward the realization of an early profitability, the 5-ALA business also establishes various alliance strategies**
- (5) Along with the continued promotion of the business “Selection and Concentration” process, strengthening profitability**
- (6) SBI Group’s medium- and long-term future vision**

- (1) The domestic financial services business will strengthen its efforts to enhance synergies and to further improve its earnings capacity, by hastening the introduction of new technologies in alignment with the trend of “PC to mobile,” along with a further enhancement of the analysis of Big Data**
- ① In the Securities-related Business, accurately capturing the shifts from savings to investment, as well as transforming to a business structure that generate high revenue despite the stock market condition**
 - ② In the Banking-related Business, implementing Group-wide measures in order to develop the credit card business into a primary revenue source**
 - ③ In the Insurance-related Business, seeking profitability improvement through foray into reinsurance businesses and pursue development of innovative insurance products through synergies with outside companies possessing advanced technological capabilities and expertise**
 - ④ Further enhancement of the analysis of Big Data, to thoroughly pursue Group synergies**

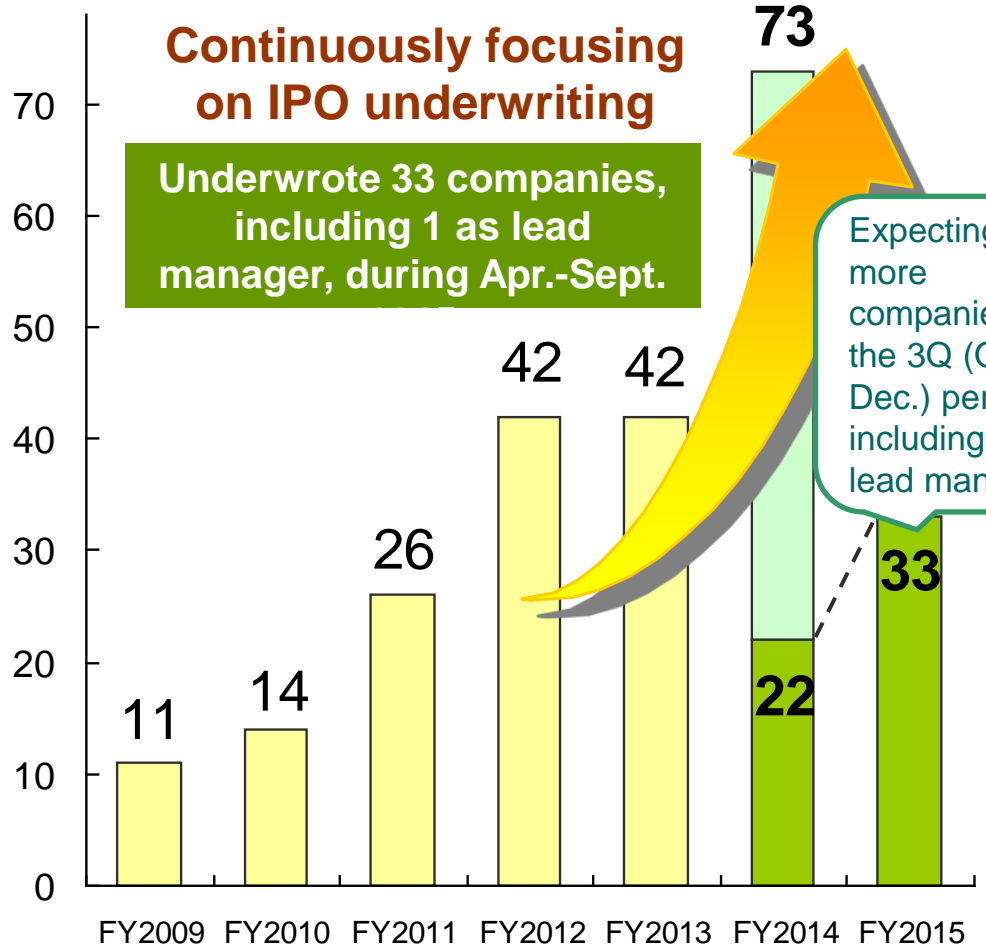
- ① In the Securities-related Business, along with precisely capturing the shift from savings to investment, transitioning to a business structure that generates significant revenue despite market conditions**
- i. Endeavoring to further expand the corporate business by continuously focusing on IPO underwriting**
 - ii. Focusing on Attaining New Customers with the Tailwind of the New NISA System**
 - iii. With SBI SECURITIES' overwhelming sales capacity, accelerating the efforts for self-origination of structured bonds**
 - iv. Strengthening SBI SECURITIES' earning capacity through the acquisition of SBI Liquidity Market**
 - v. Established a Hong Kong subsidiary of SBIH, with the expectation of establishing the world's most liquid FX OTC Market**
 - vi. By leveraging SBI BITS, the Group's system development company, significantly reducing the system cost and promoting the development of an online financial system for internal and external use**

①-i. Expanding IPO underwriting business

SBI SECURITIES is an Industry Leader in Terms of the Number of IPOs Underwritten, and will Continue to be Focused on Expanding the IPO Underwriting Business

Number of IPOs Underwritten by SBI SECURITIES

(No. of companies)



Continuously focusing on IPO underwriting

Underwrote 33 companies, including 1 as lead manager, during Apr.-Sept.

Expecting 28 more companies in the 3Q (Oct.-Dec.) period including 4 as lead manager

IPO Underwriting Ranking (Apr.-Sept. 2015)

44 companies were listed during the period

Company name	No. of cases	Underwriting share (%)
SBI	33	80.5
Nikko	33	80.5
Mizuho	30	73.2
Nomura	25	61.0
Okasan	21	51.2
Monex	20	48.8
Daiwa	18	43.9
Ace	18	43.9

* 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.

Focus on PO Underwriting as Well as IPO Underwriting

PO Underwriting Amount Ranking

[Jan.-Dec. 2013]

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

[Jan.-Dec. 2014]

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

{Apr.-Sept. 2015}

No.	Name	Amount (JPY bn)	Share (%)
1	Nomura	130.1	23.9
2	Mizuho	120.0	22.1
3	Daiwa	104.0	19.1
4	MUFJ	87.0	16.0
5	SMBC Nikko	82.2	15.1
:			
9	SBI	2.7	0.5

- * Excludes the amount for overseas issues and REITs
- * Excludes the amount for over allotment
- * The data was compiled by SBI SECURITIES based on each company's published information

PO underwriting amount

	2013	2014	Apr.-Sept. 2015
Ranking	19	→ 9	→ 9
Amount	JPY 2.5bn	→ JPY 4.7bn	→ JPY 2.7bn

SBI SECURITIES' IPO & PO underwriting amount (simple total)

Jan.-Dec. 2014 JPY 14.6bn (share: 0.79%)  Apr.-Sept. 2015 JPY 6.0bn (share: 0.85%)

Promoting further strengthening of the sales of EB bonds and the underwriting of yen-denominated bonds

①-ii. Attaining New Customers through NISA

Succeeded at Attaining New Customers through NISA

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

(Sept. 2015)	SBI	Matsui	kabu.com	Nomura	Daiwa
No. of NISA accounts	<u>ca. 740,000</u>	ca. 100,000	ca. 110,000	ca. 1,590,000	ca. 720,000

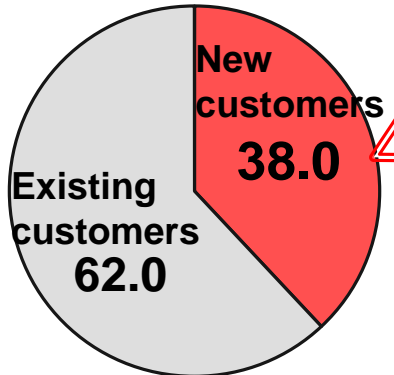
* The number of accounts are as of the end of Sept. 2015, compiled by SBIH from the information on websites of each company.

New account opening at SBI SECURITIES (Dec. 2014-June 2015) increased by **21.6%**, which exceeds that of the 3 major securities firms (Nomura, Daiwa, SMBC Nikko) at +4.1%, and that of the 5 online securities firms at +20.1%. Meanwhile, the total number of accounts (as of the end of June 2015) of the 3 major banks is merely one-eighth of the abovementioned 8 securities firms.

Source: "Kinza Weekly Financial Affairs" (Nov. 2, 2015)

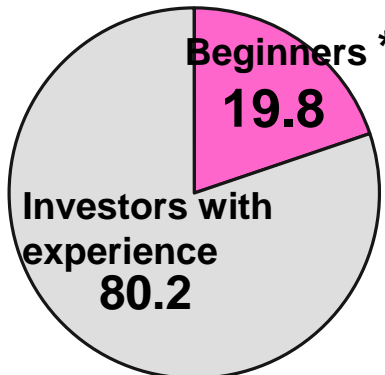
Comparison of Customer Attributes (as of the end of June 2015)

SBI SECURITIES (%)



Number of new customers opening NISA account for **38%**, and within that **66.7%** are beginner investors

Entire Securities Industry (%)



* "Beginners" represent investors who opened their accounts after Apr. 2013

Source: JSDA

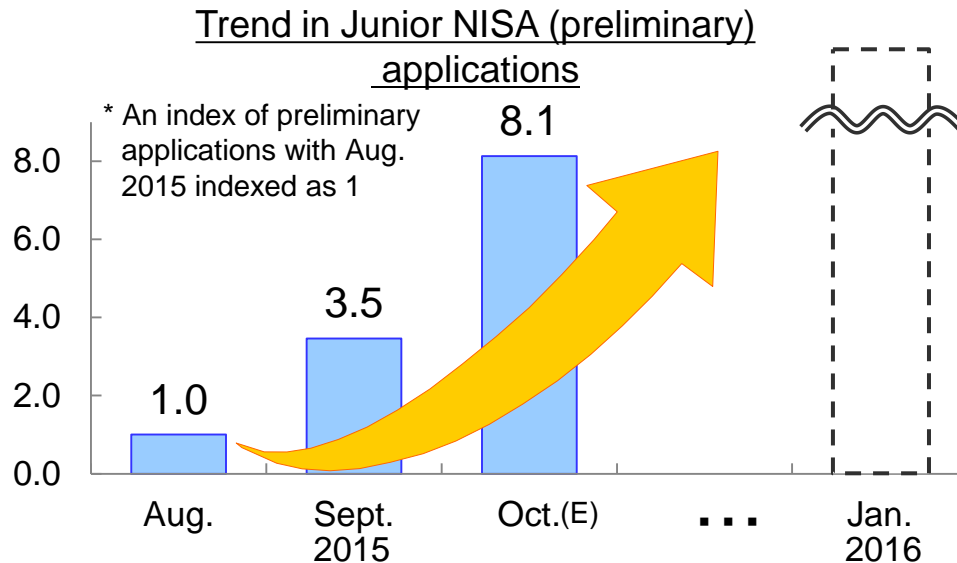
■ SBI SECURITIES' active account ratio: **59.5%** (Among the entire securities industry, the average ratio is **51.1%**)

Continuously Focusing on Attaining New Customers with the Tailwind of the New NISA System Starting January 2016


The tax-exempt investment ceiling increases to JPY 1.2m annually and the Junior NISA program will start in 2016, so the focus on attaining new customers will continue to be pursued through the implementation of measures such as free transaction fees

■ SBI SECURITIES' approach regarding the start of Junior NISA

- Began the acceptance of preliminary applications for Junior NISA, as the first online securities company, from Aug. 14, 2015
- Since the start of the Aug. 2015 acceptance, the number of applications rapidly increased



A waiver of commission fees for domestic equities and overseas ETF transactions conducted during 2016 was determined

 In order to obtain the “Workplace Savings NISA” business, which is geared toward officers and employees, SBI SECURITIES is conducting sales activities toward approximately 100 counterparty companies, focusing on those for which it served as the lead manager

SBI SECURITIES' Overwhelming Sales Capacity

Example 1) IPO of the 3 Japan Post Group companies (Nov. 2015)

SBI SECURITIES received applications for the 3 Japan Post Group companies' shares of JPY 822.5bn, which is equivalent to 190x the size of its allotment of 0.39%

3 Japan Post Group companies

- Number of shares requested at SBI: 517,963,100 shares
- Number of applications SBI received: 500,297 applications
- Total amount of application at SBI: JPY 822,481m

- ◆ At SBI SECURITIES, approx. 40% of the individual investors who purchased the shares of the 3 Japan Post Group companies on the listing date of Nov. 4, were beginners
- ◆ Encouraged transactions among customers who had not traded previously, and contributed to the awakening of dormant accounts



Of the entire transactions of the 3 Japan Post Group companies' shares, those through SBI SECURITIES accounted for approx. 20%
(Average trading share during Nov. 4, 2015 to Nov. 18, 2015)

Example 2) Distribution of the corporate bond of SoftBank (June 2015)

JPY 5.0bn underwritten by SBI SECURITIES were sold out in 2 and a half minutes

With SBI SECURITIES' Overwhelming Sales Capacity, Accelerating the Efforts for Self-origination of Structured Bonds

In order to establish a structure to originate structured bonds in a flexible and prompt manner, **established a Hong Kong subsidiary in June 2015**

- **Securities license acquired from the Hong Kong SFC on Nov. 13, 2015**
- **Starting the origination of structured bonds within the Dec. 2015, planning on the origination and distribution of structured bonds equivalent to JPY 25.0bn during 2016**

[Structured bonds' inherent operations from development to distribution]



Endeavoring to Further Reinforce and Enhance the Group's FX Trading Services

SBI SECURITIES' Acquisition of SBI Liquidity Market (Oct. 14, 2015)

- While maintaining SBI Liquidity Market's business independence, enhancing the synergy effects to allow flexible business cooperation in order to expand the FX trading services.
- Also endeavoring to encourage customers of SBI FXTRADE, a subsidiary of SBI LM, to open new accounts and to start trading at SBI SECURITIES.

No. of FX trading accounts: 515,463
Deposits: JPY 125.6bn
 (as of the end of Sept. 2015)



SBI証券

[SBI SECURITIES]

[Provides FX trading opportunities to individual investors with large size transactions]



No. of accounts: 104,481
Deposits: JPY 30.6bn
 (as of the end of Sept. 2015)

SBI Liquidity Market
 [Provides FX market infrastructure]

SBI FXTRADE
 [Provides FX trading opportunities to individual investors with small size frequent transactions]

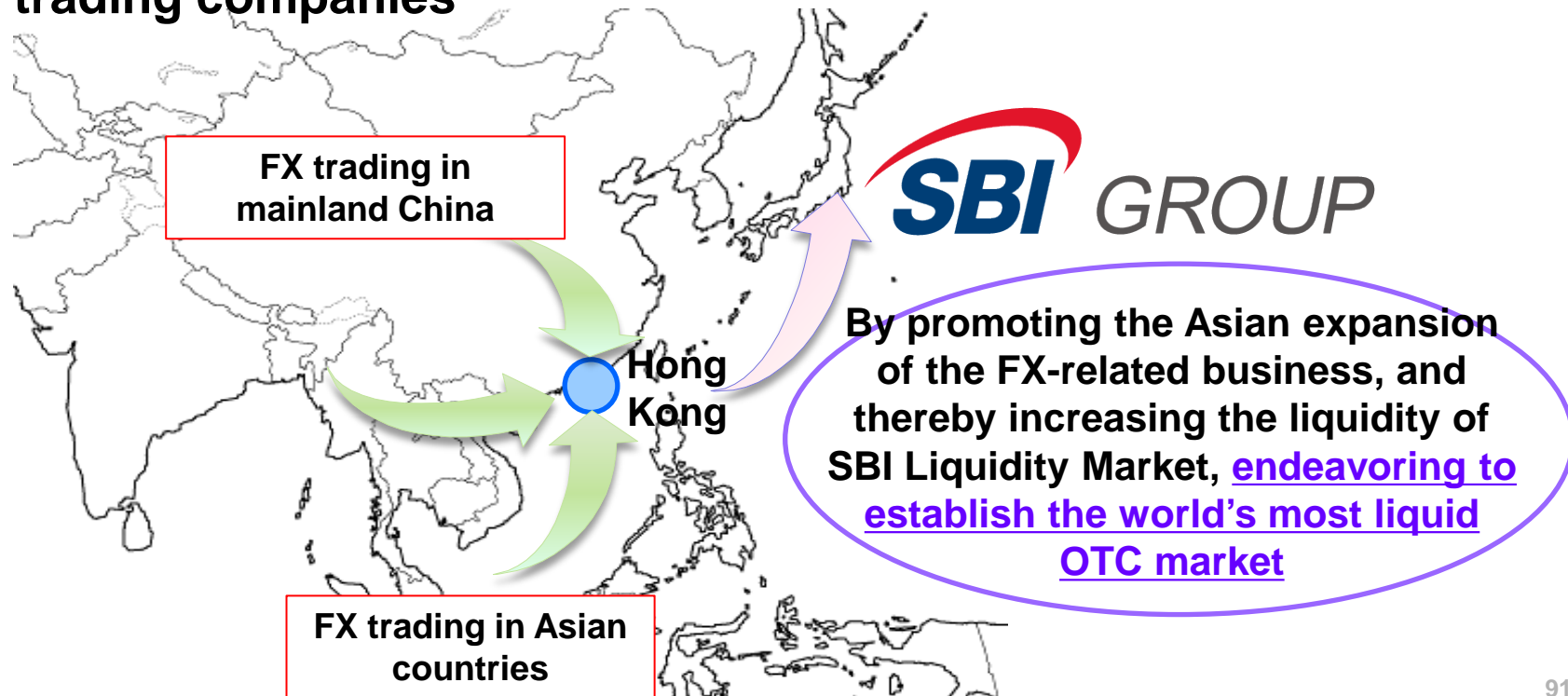
①-v. Acquisition of the World's largest amount of liquidity through overseas development of the FX-related business in Asia

By Promoting an Asian Deployment, Endeavoring the Establishment of the World's Most Liquid OTC Market

In order to acquire liquidity from the Asian countries, including China by way of Hong Kong, established a [Hong Kong subsidiary](#) in May 2015.

Planning to apply for a license to the Hong Kong SFC in Dec. 2015

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



①-vi. Cost reduction through the establishment of a system development company

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

SBI SECURITIES strives to reduce its system cost that account for approximately JPY 13.0bn annually by 20% in two year's time



In anticipation of a business expansion in China and Hong Kong, established a Hong Kong subsidiary



Systems company that develops and structures online financial systems for the internal and external use

* "BITS" stands for Better IT Solutions

Along with the reduction of the current 36 vendors to about half, SBI SECURITIES will implement an internal systems development effort by sequentially developing trading tools through the utilization of SBI BITS



For the future, will broadly provide systems development for not only domestic securities business, but also banking and insurance businesses, as well as for the securities business overseas, by leveraging the accumulated expertise

② Banking-related Business: Implementing Group-wide measures in order to develop the credit card business into a primary revenue source

Promoting Measures to Achieve Early Profitability in the Credit Card Business

SBI Sumishin Net Bank's Acquisition of SBI Card

(Oct. 1, 2015)



Through a unified operation, including the development of products with a high affinity for SBI Sumishin Net Bank's card loans, **cultivates the credit card business as one of the bank's core businesses**

Endeavoring to achieve profitability in the credit card business in FY2016, by focusing the Group's full-scale efforts

- Promoting a **full-scale acquisition of new customers**, both within and outside of the Group
 - Started the service of accepting applications for credit cards in conjunction with the opening of an account at SBI Sumishin Net Bank
 - Promotion of marketing measures such as campaigns directed at current SBI Sumishin Net Bank customers

- **Improving the earnings structure** through revised offerings, and fundamental overhaul of the business flow

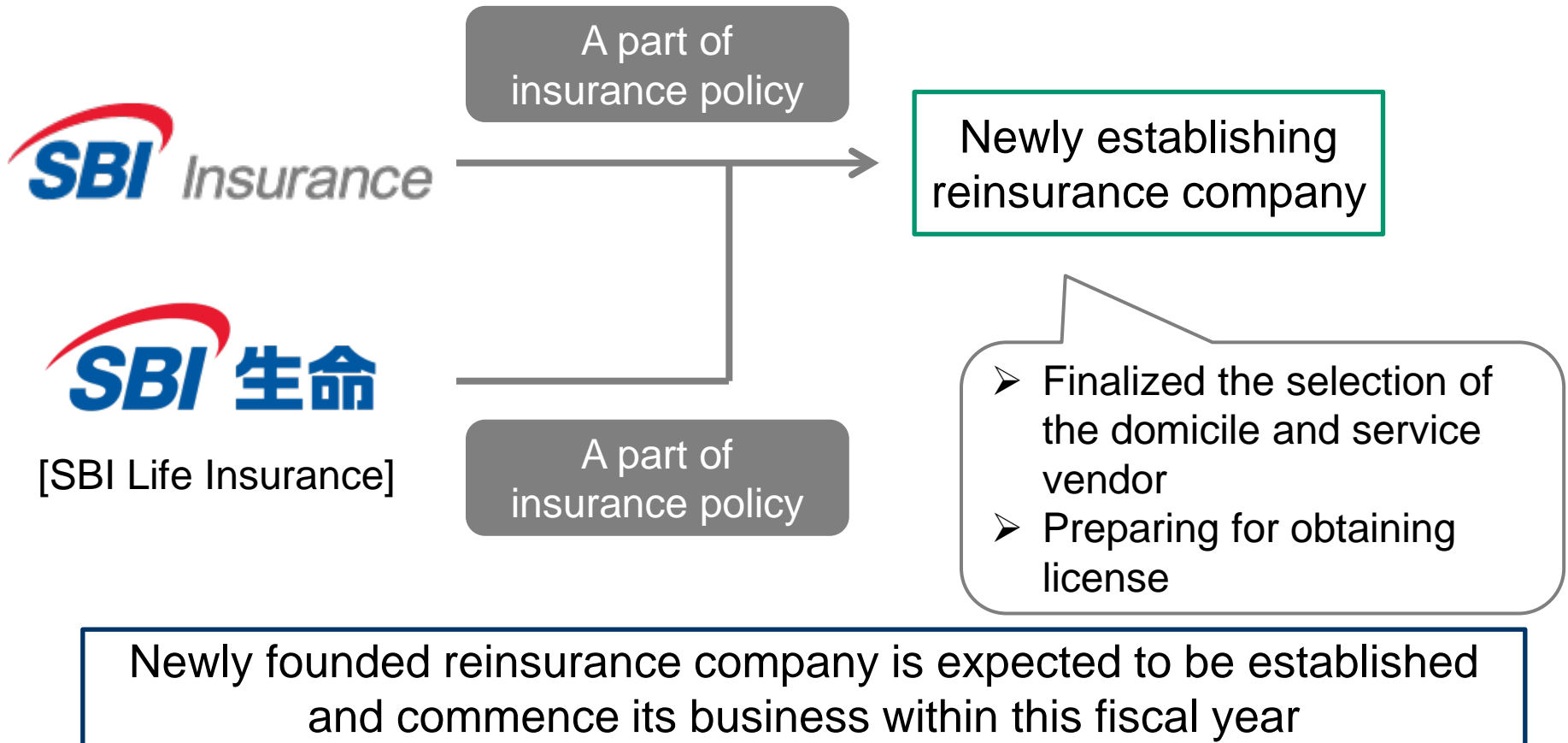


Considering **preferential treatment for annual fees and bonus point grants**, based on customer's usage, and will endeavor to continuously provide thoroughly attractive services and products

③ Insurance-related business: Foray into the reinsurance business to strengthen the profitability of the insurance companies

Foray into the Reinsurance Business to Strengthen the Profitability of the Insurance Companies

Through a step-by-step aggregation process of a portion of insurance policies that SBI Insurance and SBI Life Insurance currently cedes to an external reinsurance company, with the newly established reinsurance company the reinsurance premiums paid to non-Group companies will be curtailed, which will lead to a compression of the capital necessary to underwrite new insurance contracts



Thorough Pursuit of Group Synergies through the Sophisticated Utilization of Big Data

The SBI Group's various services

Action history / Attribute information

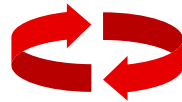
Advertisement platform

Link IDs / SBI Point

Analysis platform

The Group's Big Data

Extensive data through the Group's 18 million customers and approx. 530 million page views per month (as of Oct. 2015)



Formation of "Bigger Data" through partnerships with external companies

Big Data held by partner companies in other industries

Establishment of "Group's Big Data"

- Customer analysis based on action history and attribute information, and internal mutual customer referrals through the utilization of advertisement and common ID platforms
- ID linking among a number of companies will be initiated by year-end 2015, while Group-wide implementation will be executed in the first half of 2016
- Customer loyalty program utilizing SBI Point

Utilization of "Group's Big Data"

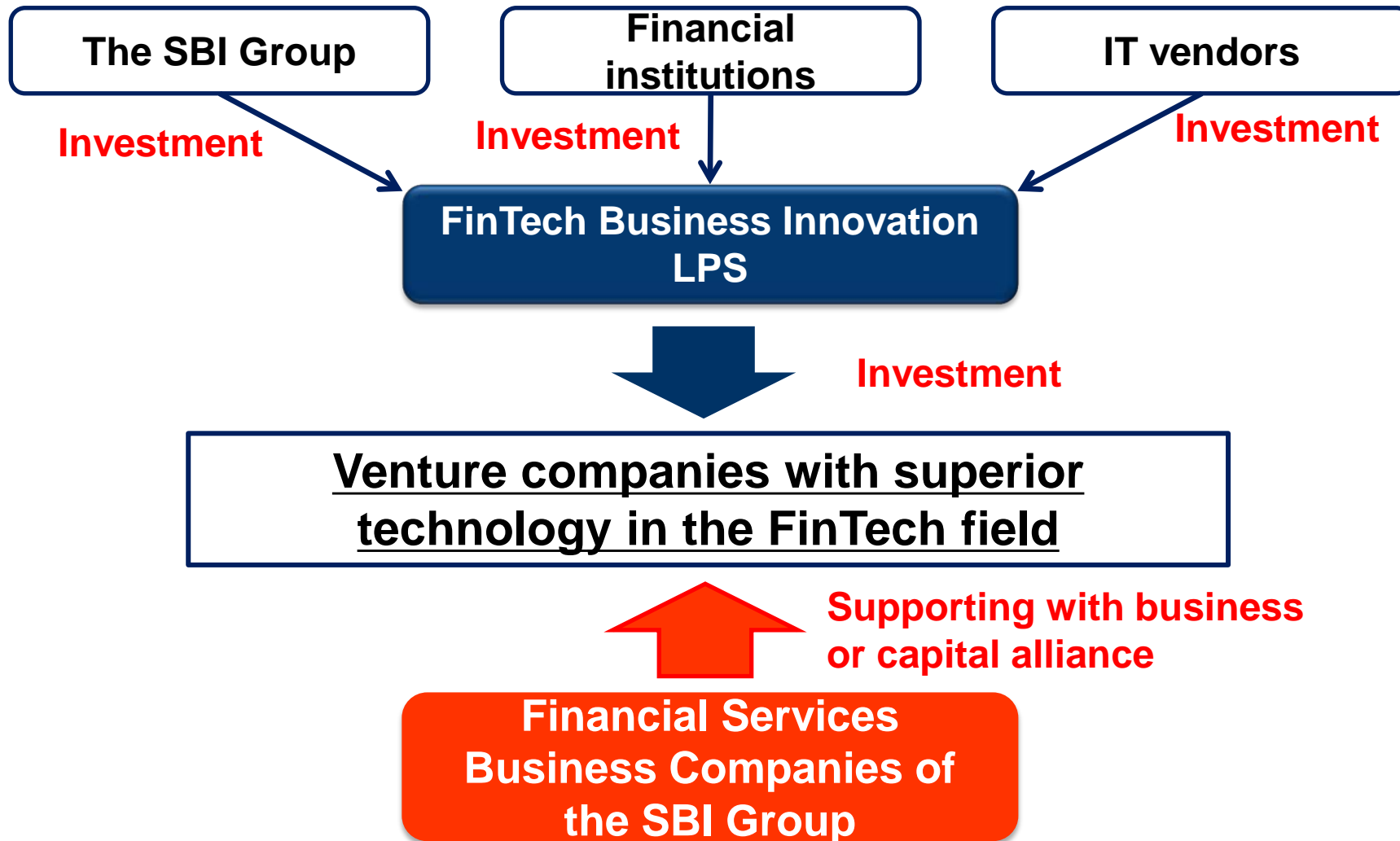
- Establishment of an organization that aggregates personnel who utilizes the Group's Big Data, and the inter-Group sharing of know-how
- Data-driven decision making through cross-sectional data management
- Development of algorithm through data analysis
- Advertisement delivery based on attribution analysis (route analysis) and machine learning
- Establishment of analysis platform utilizing distributed environment (Hadoop)

Actualizing "network value" through the extraction of valuable information and knowledge that leads to decision-making based on the Group's Big Data that is mined through machines and an expert professional team

- (2) Asset Management Business promotes a strategy of capturing the trend of the times both domestically and abroad**
- ① The venture capital business not only invests into companies involved FinTech, AI, IoT, etc., but also promotes an alliance strategy between investee companies and the SBI Group companies**
 - ② Overseas Financial Services Business expands its business domain through the strengthening of its cooperation with local partners**

Through SBI Investment's Collaboration in Fund Investments, Introducing Technology of FinTech-related Companies

SBI Investment in preparations for the establishment of FinTech funds



② Overseas financial services business: Expanding its business domain through the strengthening of its cooperation with local partners

Establishment of a Joint Venture Leasing Company with INESA (Group) Co., Ltd. in the China (Shanghai) Pilot Free Trade Zone



- Acquiring business license from the China (Shanghai) Pilot Free Trade Zone on Oct. 2015, and is scheduled to commence business in Jan. 2016
- Endeavoring to explore China's growing leasing market through the integration of SBI's extensive financial know-how and expert knowledge with the business resources of INESA

INESA (Group) Co., Ltd. :

INESA is the major Shanghai municipal state-owned information industry company that is authorized by the State-owned Assets Supervision and Administration Commission of the Shanghai Municipal Government, affiliating INESA Electron Co., Ltd., an electronics components manufacturer.

② Overseas financial services business: Expanding its business domain through the strengthening of its cooperation with local partners

As the First Ever Pure-play Online Securities Business in Thailand, SBI Thai Online Securities Started Its Operations



- Started its business as the first ever pure-play online securities business in Thailand on Oct. 16.
- Offering useful and secure securities services with minimum level brokerage in the industry, with trading tools that are equipped with various ordering functions, and includes a high security system which is as safe as that in Japan

Finansia Syrus Securities :

Finansia Syrus Securities is one of the major securities companies that has high share of Individual stock trading in Thailand, and it also conducts investment banking business, such as mediation of M&A and IPO underwriting.

② Overseas financial services business: Expanding its business domain through the strengthening of its cooperation with local partners

Overseas Financial Services Business Expands through Its Cooperation with Local Partners

Bank
YAR-Bank (formerly OBI BANK)
 (50.0% shareholding; invested in June 2011)
 Commercial Bank under METROPOL



Bank
SBI Savings Bank (formerly Hyundai Swiss Savings Bank)
 (99.1% shareholding; initially invested in May 2002)



Nonlife Insurance
Tianan Insurance
 (1.7% shareholding; invested in July 2010)



Securities
BNI Securities
 (25.0% shareholding; invested in July 2011)

Leasing
INESA-SBI Leasing (Shanghai)
 (35.0% shareholding; established in Oct. 2015)



Bank
TPBank (formerly Tien Phong Bank)
 (19.9% shareholding; invested in Aug. 2009)



Through a business alliance with the commercial bank under the umbrella of the Yuchengco Group, a leading financial conglomerate in the Philippines, considering the provision of a variety of online financial services, including banking, securities and insurance for retail customers

Securities
FPT Securities
 (20.0% shareholding; invested in Apr. 2011)

Securities
SBI Thai Online Securities
 (55.0% shareholding; established in Oct. 2014)

Securities
SBI Royal Securities
 (65.3% shareholding; established in Feb. 2010)

(As of the end of Sept. 2015)

* SBI's shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group 100

**(3) Asset Management Service Business
will promote an expansion of its
product offerings to increase its
operational scale**



Launched SBI GLOBAL ASSET MANAGEMENT, which Plays a Central Role in the Asset Management Services Business, in Nov. 2, 2015

- Tomoya Asakura (Director & Senior Managing Executive Officer of SBI Holdings, Inc. and Representative Director & President of Morningstar Japan K.K.) was appointed as a Representative Director, President & CEO
- Hiroshi Masaki, who was an Executive Director of the Investment Banking Division of Morgan Stanley Securities, and then a Managing director of Aetos japan, LLC, which is a Japanese subsidiary of a major American real estate investment company, was appointed a Director & COO

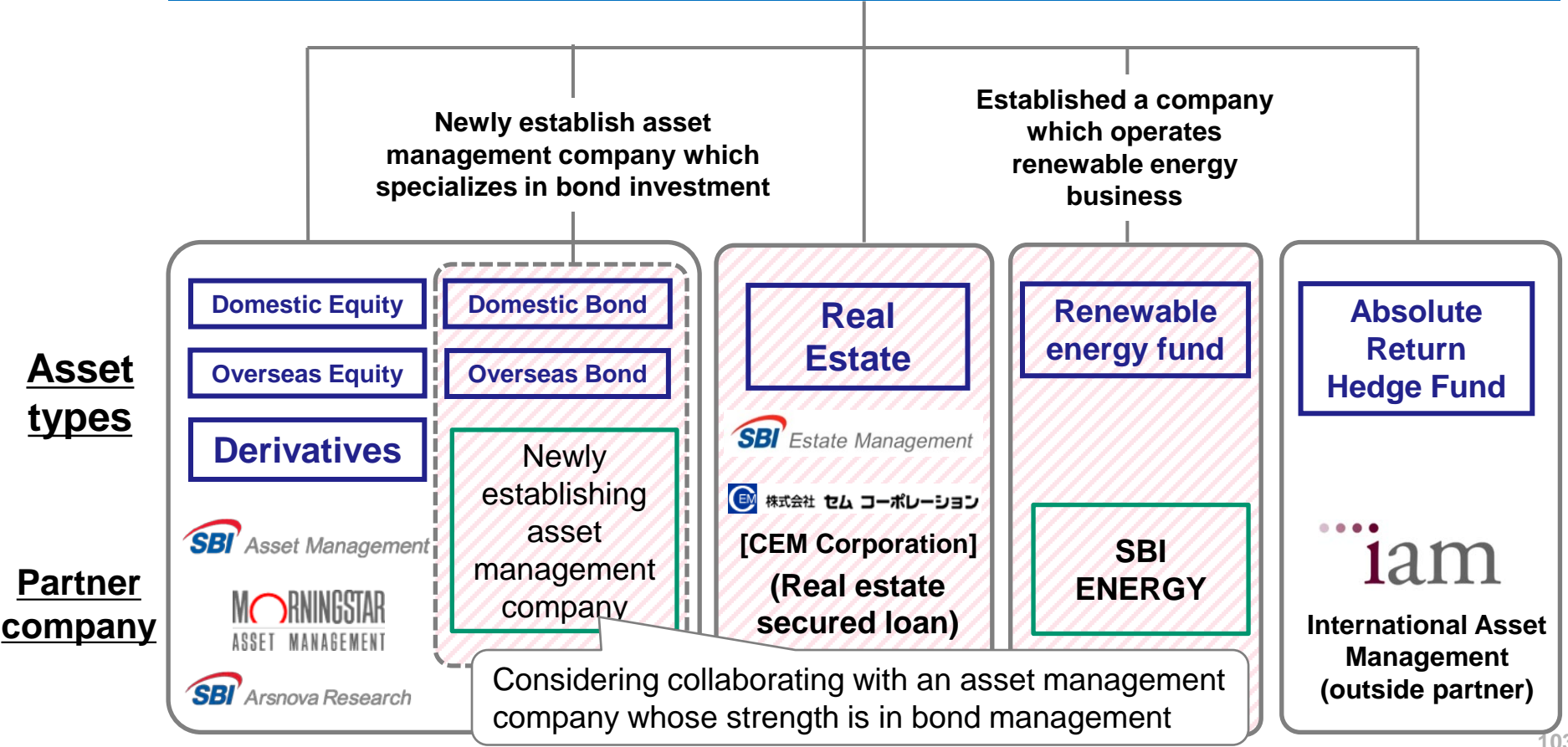
[Overview of SBI Global ASSET MANAGEMENT]

Name	SBI GLOBAL ASSET MANAGEMENT Co., Ltd.	
Head Office	1-6-1 Roppongi, Minato-ku Tokyo	
Principal Officers	Representative Director & Chairman Representative Director, President & CEO Director & COO	Yoshitaka Kitao Tomoya Asakura Hiroshi Masaki (Former Managing Director of Aetos Japan, LLC)
Business	Presiding and operating the Asset Management Services Business	

Improvement of Asset Management Service Business Structure

SBI Global Asset Management, a company to be newly established, will play a central role in expanding and upgrading investment product lines and increasing business scale in order to meet the needs of all investors, including individuals and financial institutions.

SBI GLOBAL ASSET MANAGEMENT



Along with a Corporate Name Change from CEM Corporation to "SBI Estate Finance Co., Ltd. (tentative name), the Company will Endeavor to Increase its Value through Increased Loans and Additional Capital by Thoroughly Utilizing the SBI Group's Know-how and Resources Going forward



株式会社 セム コーポレーション

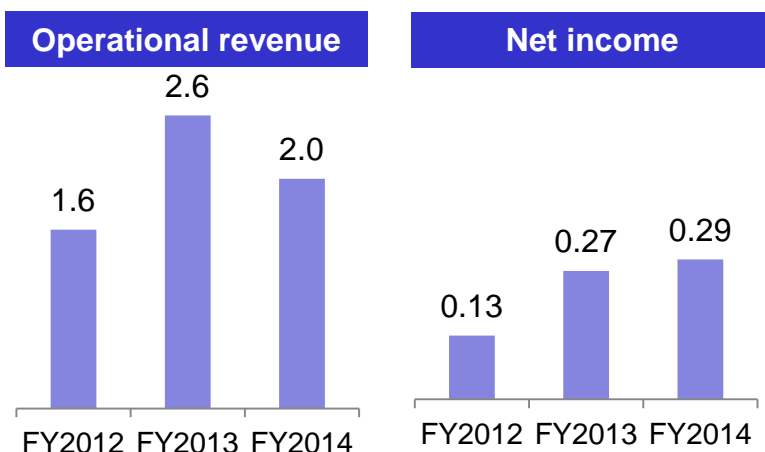
[CEM Corporation]

Year of investment: 2007

SBI Group's shareholding*: 79.7% (as of Sept. 30, 2015)

- Providing collateralized real estate loans primarily in the Tokyo area (Tokyo, Kanagawa, Chiba, Saitama)
- Temporarily sluggish business performance after Lehman Shock
- Treated as a consolidated subsidiary for accounting purposes, although held as an investment

[Financial results (JGAAP)] (Unit: JPY billion)



(Unit: JPY billion)

	FY2012	FY2013	FY2014
Total assets	16.4	20.1	19.4
Loans	12.1	15.8	15.8

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

Establishing Renewable Energy Funds (tentative name) as a New Investment Product

- Established “SBI ENERGY,” which operates a power generation business, utilizing renewable energy, including solar, small hydroelectric, biomass, and geothermal generation
- Provides a new and attractive investment product, by offering an investment fund that gains returns from the sales of electric power from power generating facilities, through SBI SECURITIES and SBI MONEY PLAZA

SBI ENERGY



Power generation business and management of investment funds

SBI Renewable Energy Fund (tentative name)

Seeking high investment returns from the sales of electric power

SBI証券
[SBI SECURITIES]

SBI マネープラザ
[SBI MONEY PLAZA]

Sales

Sales



Individual investors



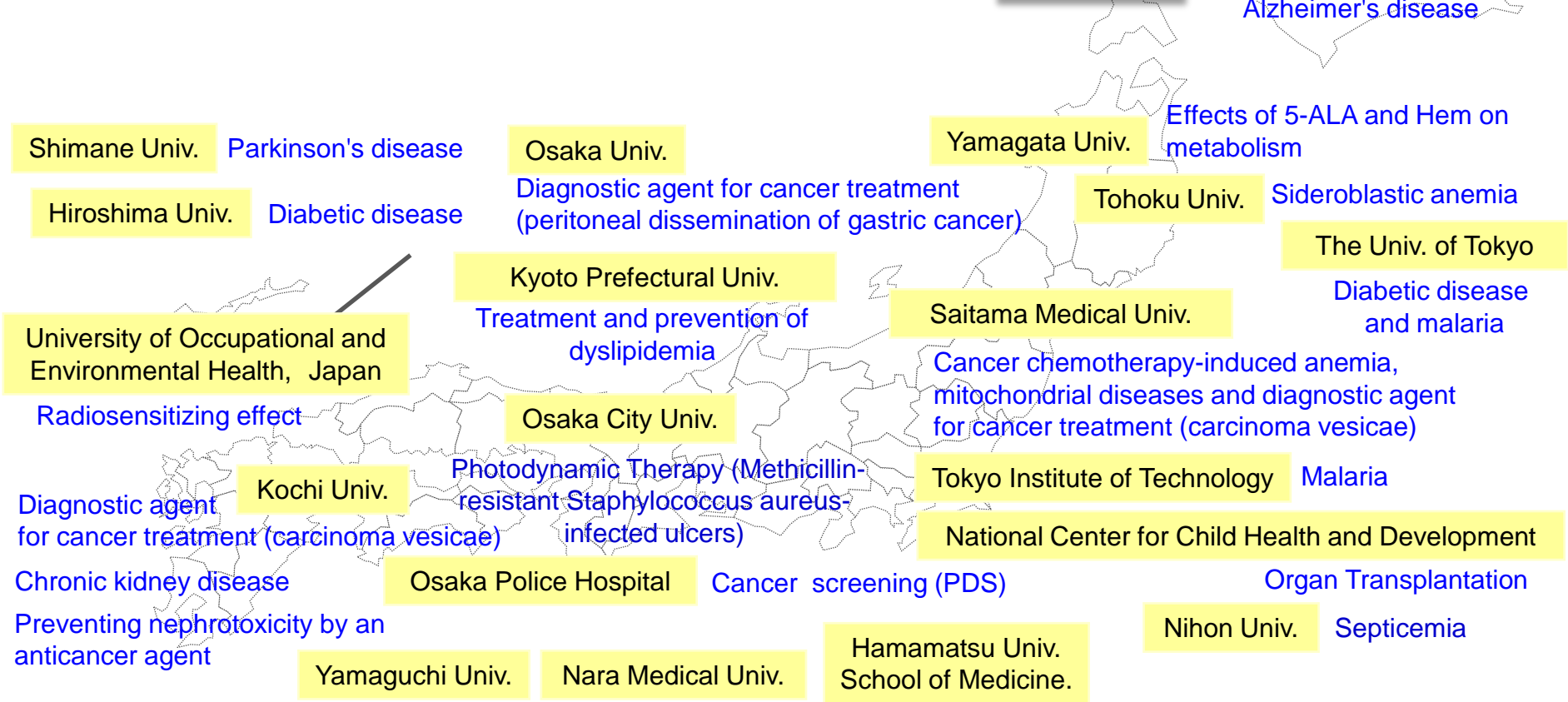
Institutional investors

(4) Toward the realization of an early profitability, the 5-ALA business also establishes various alliance strategies

- ① **As a result of collaboration with more than 130 research organizations in Japan and overseas, basic and other clinical research concerning 5-ALA is advancing in various fields.**
- ② **SBI Pharmaceuticals has already domestically obtained 24 patents, and is also steadily obtaining patents overseas (among the domestically obtained patents, 10 have also been patented overseas thus far. A diabetes patent was also obtained in the U.S. in Aug.)**
- ③ **In cooperation with Professor Kiyoshi Kita (graduate School of medicine, The University of Tokyo), SBI Pharmaceuticals treated mice infected with malaria parasites and announced the demonstrated preventive effects in the publication, *Antimicrobial Agents and Chemotherapy***
- ④ **Establishment of a production system for 5-ALA-related products in China**
- ⑤ **For the development of health foods for overseas distribution, a food intervention trial that complied with GCP* was successfully completed in Bahrain**
- ⑥ **Clinical trials for the development of pharmaceuticals containing 5-ALA are progressing in Japan and overseas (one product introduced, one Phase III trial and four Phase II trials).**
- ⑦ **Future business strategy for the early profitability realization**

Research Using 5-ALA is Advancing at 67 Universities and Hospitals

Published **“Functional Amino Acid; Science and Medical Applications of 5-Aminolevulinic acid (Chemistry Today, special edition 45) ~Focused on diagnosis and treatment of cancer~”** (ALA and Porphyrin Research Society) in Oct. This journal contains various research papers on 5-ALA by 48 leading research scientists



Joint Research on the Effect of Improvement in Movement Efficiency by Taking 5-ALA and SFC with Shinshu University

The research paper will be published in the “Journal of Applied Physiology,” an American Physiological Society publication

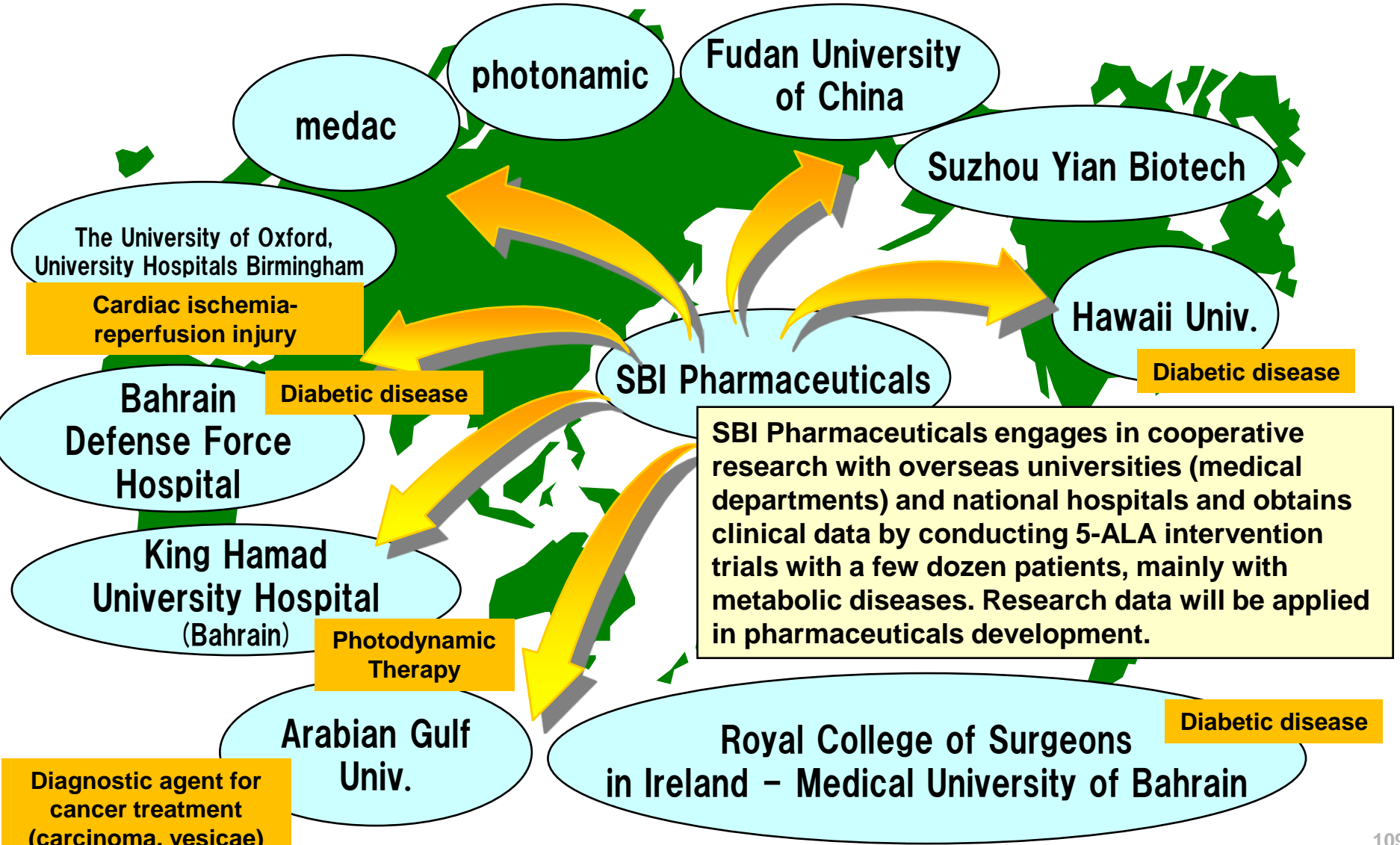
Joint paper by Hiroshi Nose, a professor of Interdisciplinary Cluster for Cutting Edge Research, Institute for Biomedical Sciences, Shinshu University(Academic Assembly School of Medicine and Health Sciences Institute of Medicine) and Nakajima CSO (SBI Pharmaceuticals), and others

<The content of the published paper>

Reduction of oxygen consumption and carbon emissions, as well as suppression for lactic acid value elevation in blood during exercise by taking 5-ALA and SFC to improve in movement efficiency

SBI ALA promo started to discuss foods being developed with function claims for enhancement of athletic ability

Expanding Co-Researchers and Business Partners in the World



Patents Held by SBI Pharmaceuticals in Japan (Total of 24 Patents)

The name of the invention	Registration date	Co-applicants
Composition for peeling	June 15, 2007	Single application
External preparation for the skin	July 27, 2007	Single application
Antioxidation function improver	Sept. 2, 2011	Cosmo Oil
Health function improver	Sept. 2, 2011	Cosmo Oil
Immune function improver	Sept. 2, 2011	Cosmo Oil
Tumor diagnostic agent	July 13, 2012	Single application
Mitochondrial damage brain disorder treatment and diagnostic agent	Oct. 5, 2012	Single application
Urinary tract tumor determination system	Mar. 22, 2013	Kochi University
Photolesion alleviator	June 21, 2013	Single application
Automatic tumor identification device and automatic tumor location identification method	Feb. 7, 2014	Single application
Bladder cancer detection method	Feb. 14, 2014	Kochi University
Urothelial cancer detection method	Feb. 21, 2014	Kochi University
Male infertility treatment	Mar. 14, 2014	Single application
Cancer thermotherapy action enhancer	Apr. 18, 2014	Tokyo University of Agriculture
Mitochondrial fluorescence staining method	July 11, 2014	Okayama University/Kochi University
Antimalarial drug whose active ingredient is 5-aminolevulinic acid or a derivative thereof	July 25, 2014	The University of Tokyo
Cancer prophylactic and/or improving agent whose active ingredient is 5-aminolevulinic acid or a derivative thereof or a salt thereof	Sept. 12, 2014	Single application
Alaremycin derivative	Nov. 14, 2014	Tokyo Institute of Technology
Adult disease prophylactic and/or improving agent whose active ingredient is 5-aminolevulinic acid or a derivative thereof, or a salt thereof → Granted related patent in U.S.	Dec. 19, 2014	Single application
Antimalarial drug whose active ingredient is alaremycin or a derivative thereof	Dec. 26, 2014	Tokyo Institute of Technology
Treatment for allergic rhinitis	Mar. 20, 2015	National Hospital Organization
Agent for preventing and/or treating veisalgia	Sept. 18, 2015	Single application
Treatment agent and/or prophylactic agent for side effects of cancer drugs	Oct. 9, 2015	Kochi University
Erythropoietin production accelerator	Oct. 9, 2015	Tohoku University

Patents Held by SBI Pharmaceuticals Overseas

SBI Pharmaceuticals has already obtained 24 patents in Japan and is gradually obtaining patents overseas as well. Among the patents obtained in Japan, 10 patents has been obtained overseas so far (20 countries). The patent relating diabetes has been obtained as well as in U.S. in Aug.

	The name of the invention (Co-applicants)	International registration (countries)
1	Composition for peeling (Single application)	Canada, Germany, Norway, Sweden
2	External preparation for the skin (Single application)	China, Korea, Australia, Canada, Indonesia, India, Mexico, New Zealand, Philippine, Russia, Singapore, South Africa
3	Health function improver (Cosmo Oil)	U.S., U.K., China, Korea, Australia, Canada, Switzerland, Germany, France, Sweden, Spain, Indonesia
4	Tumor diagnostic agent (Single application)	China, Korea, Australia, Canada
5	Mitochondrial damage brain disorder treatment and diagnostic agent (Single application)	U.S., China, Korea, Australia, New Zealand, Russia
6	Bladder cancer detection method (Kochi University)	U.S.
7	Male infertility treatment (Single application)	U.S., U.K., Philippine, Switzerland, Germany, France, Canada
8	Cancer thermotherapy action enhancer (Tokyo University of Agriculture)	U.S., U.K., Korea, Germany, France, Switzerland
9	Antimalarial drug whose active ingredient is 5-aminolevulinic acid or a derivative thereof (The University of Tokyo)	Australia, Canada, New Zealand
10	Adult disease prophylactic and/or improving agent whose active ingredient is 5-aminolevulinic acid or a derivative thereof or a salt thereof (Single application)	Korea, U.S.(only diabetes)

Acquisition of a Patent for a Method to Treat Diabetes Containing 5-ALA as an Active Ingredient in the U.S.

*Already obtained related patent in Japan

<Newly granted patent in the U.S. >

Patent number	US 9,095,165 B2
Name of discovery	Prophylactic/ameliorating agent for adult diseases comprising 5-aminolevulinic acid, derivative of 5-aminolevulinic acid, or salt of 5-aminolevulinic acid or the derivative of 5-aminolevulinic acid as active ingredient
Claims	<p><u>Method to treat diabetes through the administration of 5-ALA and its derivative</u></p> <p>A method to treat an adult disease, comprising of administration of a composition consisting essentially of 5-aminolevulinic acid (ALA), its ester derivative or acyl derivative, or a salt thereof to a subject in need thereof, wherein the adult disease is diabetes.</p>
Patent owner	SBI Pharmaceuticals Co., Ltd.
Filing date	October 27, 2009
Registration date	August 4, 2015

Publishing a Research Paper on the Treatment and Preventive Effects on Malaria Parasite Infection, through the Combined Use of 5-ALA and Iron, with Professor Kiyoshi Kita (Graduate School of Medicine, The University of Tokyo), and Others

Although Chinese scientist Ms. Tu Youyou was awarded the 2015 Nobel Prize for medicine for her discovery of artemisinin, a drug that has markedly decreased the death rate of patients infected with malaria, [artemisinin resistance has already appeared, and the development of a new malaria treatment is an urgent global imperative.](#)

Key Points of the Findings

- ◆ Using mice infected with a virulent malaria parasite under fatal conditions, SBI Pharmaceuticals assessed the possibility that the combined use could be treated as anti-malaria medication. [The results showed curative effects were observed for 60% of mice that received combined medication of 5-ALA and SFC](#)
- ◆ It became clear that mice cured of [infections showed tolerance to re-infections from the same parasites even 230 days or more after treatment, acquiring long-term immunity to them.](#) An increase in the antibody levels specific to these parasites was observed in the serum of cured mice, possibly contributing to their tolerance

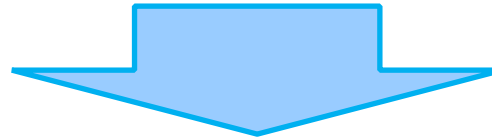
Publishing paper: *Antimicrobial Agents and Chemotherapy*

Title: *In vivo* curative and protective potential of orally administered 5-aminolevulinic acid plus ferrous iron against malaria

Establishment of a Production System for 5-ALA-related Products in China

As a part of obtaining the product license for health foods containing 5-ALA that Suzhou Yian Biotech Co., Ltd (SBI Group shareholding of 40%) will be distributing, an application for registration as a new resources food to the Chinese Ministry of Health is underway.

*New resources food registration: Foods for which no dietary habit exists in China and food raw materials resulting from new technology are subject to examination by the Chinese Ministry of Health (the counterpart to Japan's Ministry of Health, Labour and Welfare).



A food product license is expected to be obtained after a public information period of two to three months (equivalent to Japan's public comment system) following the receipt of an official response from their Technical Committee.

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

A Food Intervention Trial that Complied with GCP(*) Standards was Successfully Completed in Bahrain

(*)GCP: An abbreviation for Good Clinical Practice, which is a standard for performing clinical tests on pharmaceutical products.

Planning an announcement of the detailed results of this trial at a press conference to be held by the Bahrain Defense Force Royal Medical Service on Nov. 1, 2015

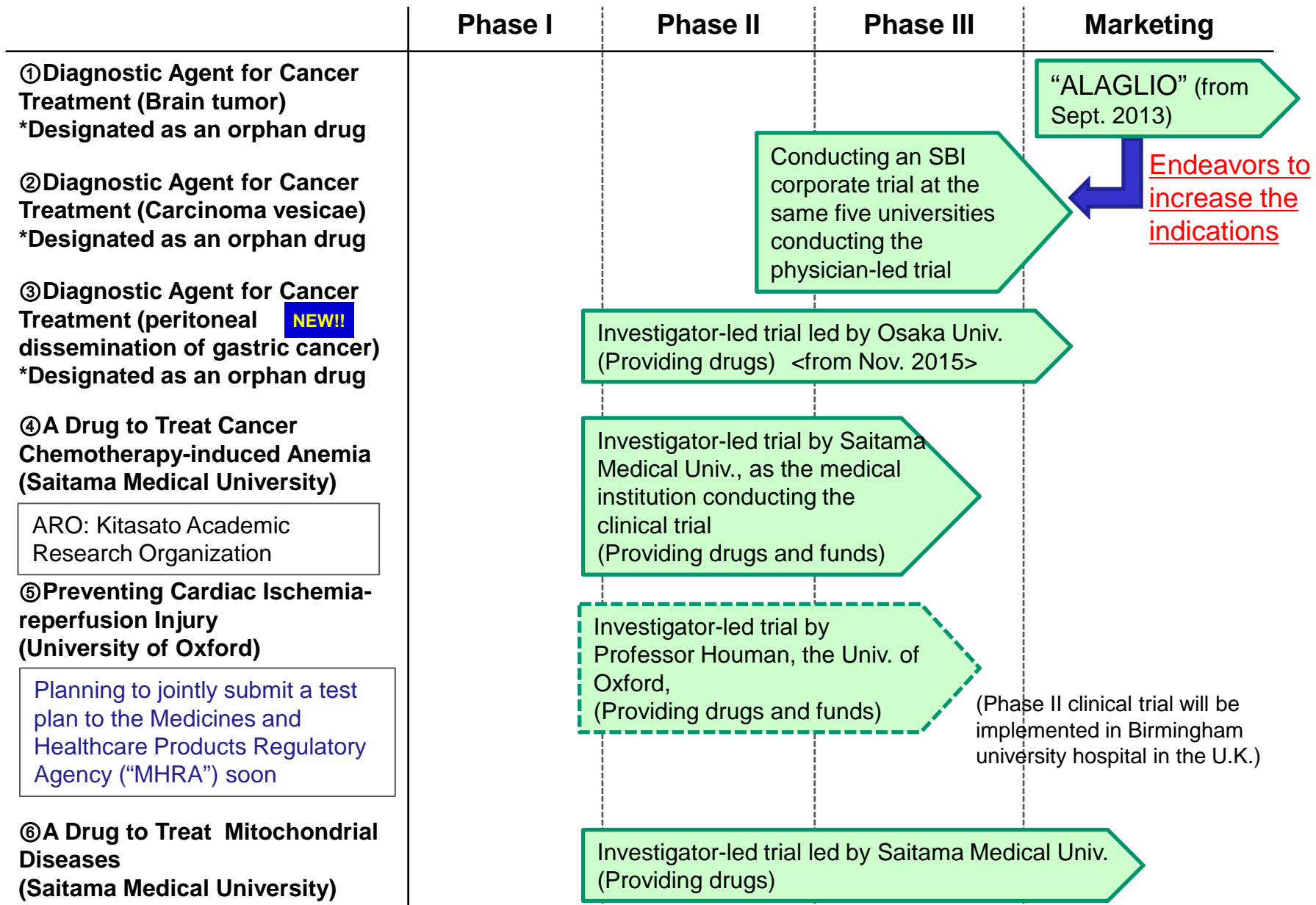
(Presenting members: the director of the Bahrain Defense Force Royal Medical Service (Sh. Khalid), Japanese Ambassador to Bahrain, and others)

- The clinical study for type 2 diabetes for food intervention trials at the Bahrain Defense Force Royal Medical Service Hospital was completed in July, and a paper is being written based on the final report
- In the trial, the safety of administration of highly concentrated 5-ALA (200mg per day) to Arab patients with type 2 diabetes was confirmed, and it was confirmed that HbA1c (hemoglobin A1c), which is directly related to diabetes, decreased significantly as a result of ingestion of test meals for 12 weeks.



Planning publication of an academic paper in related journals

(4)-⑥ Medicine business: R&D Progress in the Pharmaceutical Field Sponsored by SBI Pharmaceuticals



(4)-⑦ Future business strategy for further enterprise value growth :

Various Measures Toward the Realization of an Early Profitability (i) ~In the Field of Foods including Health Foods, Cosmetics, Feeds~

1. Expanding the product offering

Based on the labeling system for foods with functional claims, application for a new product “ALApplus Tou-Down” targeting people with high blood sugar was accepted by Consumer Affairs Agency. “ALA Plus Tou Down” will be available for sale by the end of December

2. Business alliance with Kenkou Corporation and RIZAP

Jointly conducting a promotion to increase the recognition of 5-ALA, and the sales expansion of health foods and cosmetics containing 5-ALA

3. SBI Pharmaceuticals progresses with discussions for the out-licensing of technology and business partnership in the food fields

4. Registration of 5-ALA as a new resources food is under consideration at Technical Committee of the Chinese Ministry of Health , as a part of obtaining the product license for health foods containing 5-ALA that Suzhou Yian Biotech will be distributing

5. Demonstration tests of livestock feeds containing 5-ALA initiated

In Mexico, there is a movement to eliminate the use of antibiotics from livestock feeds, so a demonstration test of livestock feeds containing 5-ALA was initiated with a local company. A mid-term report is expected in early Dec.

6. In discussions for the sales of health foods in Thailand

In deliberations to establish a joint venture with a local company that operates large upscale shopping centers in Thailand

7. In Hong Kong, in preparation for the registration of a cosmetic ingredient

5-ALA (hydrochloride and phosphate) is registered for medical-use only in Hong Kong, so collaborating with the authorities regarding cosmetic-use 5-ALA phosphate, which is already registered in Japan

(4)-⑦ Future business strategy for further enterprise value growth:

Scheduled for First Launch of “ALA Plus Tou Down,” a Food Labeled with Health Benefits, Containing 5-ALA, by the End of December

In Japan, there are about 14 million people with hidden hyperglycemia who are not diagnosed as having diabetes but whose blood sugar levels that elevate after meals do not return to normal

→ In particular, one in six people aged over 40 have such symptoms *



Package

It will have a functional label indicating that: **“The product contains 5-aminolevulinic acid phosphate and helps normalize high fasting glucose levels. It has a function to moderate the elevation of postprandial glucose level. It is suitable for people with high blood sugar levels.”**

A clinical trial, on which the application is based, was conducted at Hiroshima University on 212 patients with slightly high blood sugar levels, and a similar trial was also conducted at the University of Hawaii.

~ Make development of foods with function claims a key strategy ~

Preparations are under way for clinical trials of foods being developed with function claims for enhancement of athletic ability and male fertility.

*Estimated by SBI ALApromo based on the “results of a national health and nutrition survey in 2012” (Ministry of Health, Labour and Welfare) and the “population estimate (as of October 1, 2013)” provided by the Bureau of Statistics of the Ministry of Internal Affairs and Communications

Future Product Strategies of SBI ALAPromo

- Scheduled for launch of a **sports supplement, “ALA Plus Sports High Performance”**, for stamina athletes on the move for extended periods sports enthusiasts (December, 2015)

Being available for sale on ALA Online, which is SBI ALAPromo’s official online shop, and at sports shops



Package design

- Scheduled for **a complete renewal of cosmetics, “ALA Plus series”** (January, 2016)

Adopt uniformly designed packaging for direct-sales products and increase marketing effectiveness by means of product announcements.


ALA Plus series (excerpt)



Moisturizing cream **Skin lotion** **ALApi**
Full-body moisturizing cream


Business Alliance with Kenkou Corporation and RIZAP

Promoting further collaboration, particularly in various business fields related to health care



Development and marketing of many hit products among beauty and health products

<Consolidated financial forecasts for FY2015>
 Net sales: JPY 60.1bn (+54% YoY)
 Operating income: JPY 5bn (+137.4% YoY)



Operation of fitness center chain "RIZAP"




Group's customer base: over 18 million



Manufacturing and sales of health foods and cosmetics using 5-ALA



Healthcare services for membership

Examples of alliance:

- Conducting a joint promotion to achieve 70% of the awareness for 5-ALA, and to expand the sales of health foods and cosmetics containing 5-ALA (Kenkou Corporation agreed to absorb the majority of the promotion cost)
- Joint development of health care services

Various Measures Toward the Realization of an Early Profitability (ii) ~In the Pharmaceutical fields~

1. In discussions for the out-licensing of technology in the pharmaceutical fields

<In discussions for the out-licensing of technology by category>

Company A: Diagnostic Agent for Cancer Treatment (Carcinoma vesicae)

Company B: Mitochondrial diseases/Central Nervous System diseases including Parkinson's disease and Alzheimer's disease

2. Planning to acquire a Germany pharmaceutical company

Planning to acquire a Germany pharmaceutical company that is engaged in the manufacture and sales of intraoperative diagnostics for cancer treatment, and patches for the photodynamic treatment of mild actinic keratosis

(5) Along with the continued promotion of the business “Selection and Concentration” process, strengthening profitability

Generation of Cash Flow through the “Selection and Concentration” Process

Sales of non-core subsidiaries

[Major subsidiaries sold from FY2011 to FY2013]

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

[Major 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 FY2011

Sales of real estate holdings

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

Continuing Promotion of Business “Selection and Concentration” for this Fiscal Year and beyond

Sold in FY2015

- **Transferred SBI Card to SBI Sumishin Net Bank**
(announced in Apr. 2015; share transfer was executed in Oct. 2015)
 - ➔ **Recovering JPY 4.0bn, and a positive improvement effect of several hundred millions of JPY is anticipated compared to the previous fiscal year**

Considering or preparing sales

- **Sales of Phnom Penh Commercial Bank of Cambodia, SBI Trade Win Tech (system business), Autoc one (support for automobile purchaser), and NARUMIYA INTERNATIONAL (manufacture, processing and sale of children’s wear and related products), and etc.**
 - ➔ **Endeavoring to recover JPY 10-plus bn in total**
- **Through the sales of real estate holdings, expecting to recover JPY 4.2bn, of which approx. JPY 1.2bn has already been recovered**

Implemented a Tender Offering to Sell Phnom Penh Commercial Bank of Cambodia

*SBI Group's shareholdings is at 47.6%, and shareholdings including dilutive shares is 91.0%

- There are bids from several companies, and the buyer selection process was initiated in late Nov. 2015
 - By determining a buyer before the end of 2015, targeting an agreement before the end of Mar. 2016. Thereafter, the expectation is for a closing of the sale upon an approval from the Cambodian authorities
- On the basis of a sale at a market capitalization of USD 110m, will recover approximately JPY 10bn, for a potential profit before income tax expense of approximately JPY 3bn, including selling expenses

Excerpt of the article about speculation of sales published in "The Korea Economic Daily Oct. 27, 2015"

SBI Savings Bank and SBI Holdings are promoting the sale of Phnom Penh Commercial Bank (PPCB) which was established in Cambodia in 2008. ..(Abbrev)...

Sales value of PPCB is expected to be from KRW 130bn to KRW 150bn level according to financial industry officials. (Approx. USD 1.14bn to USD 1.32bn)*

Investment bank officials said "Even though the Cambodian economy shows a growth rate level of 7% per year, the bank utilization rate is still at a low level," and "So, there is a strong possibility for financial companies to grow their business in Cambodia" ... (Abbrev)...

Financial industry officials said "By acquiring PPCB, the buyer may expand their sales channel for the local people"

(6) SBI Group's medium- and long-term future vision

Near-future Vision of the Financial Business

A triple “One Service” will inevitably be expected through the development of digital technology, such as the Internet, mobile, AI, etc.

One Stop

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

One Table

Comparison of the various financial services desired by customers summarized on a list.

One-to-one

Concierge service that provides individual customer consultation.



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

The Internet Immersed Generation is Coming of Age

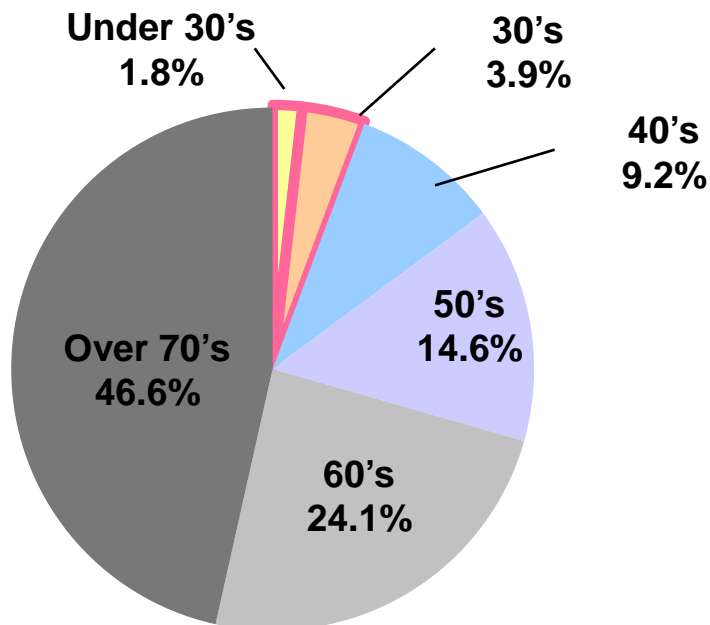
Start of commercial Internet in Japan: 1992



The generation immersed in the Internet since childhood have started full-scale purchases and financial activities from around 2010

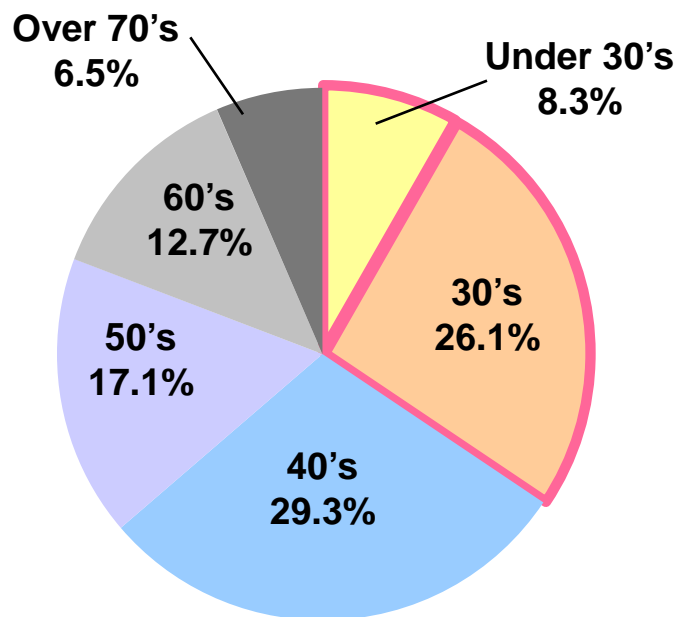
Breakdown of SBI SECURITIES' customers' age by channel (as of the end of Mar. 2015)

■ Face-to-face (SBI MONEY PLAZA)



The older generation as a percentage of customers of face-to-face channels is generally higher.

■ Online



The percentage of the current 20's and 30's that will **carry out a full-scale asset building**, as time goes by, is high.

* Corporate accounts are not included

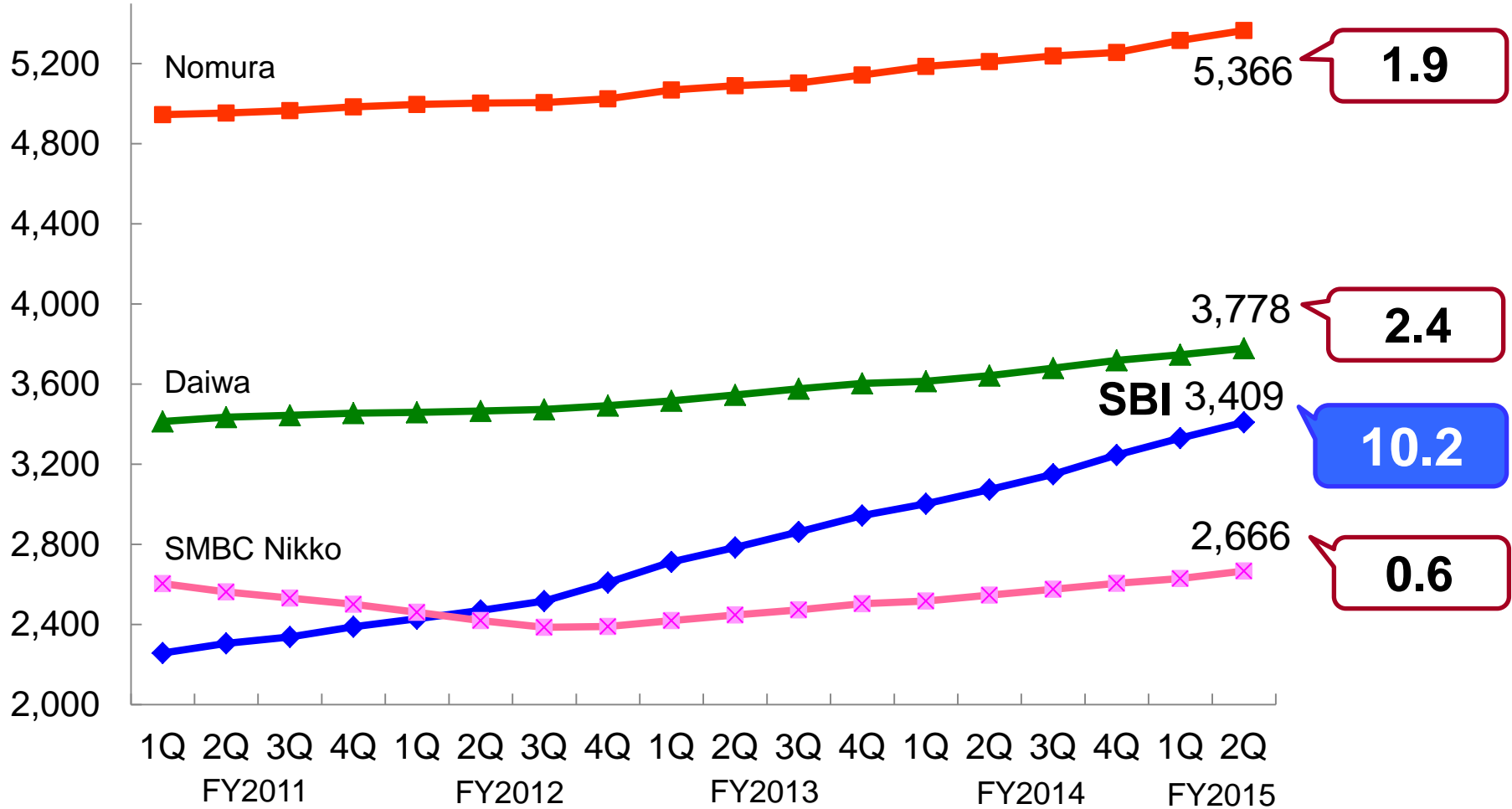
SBI SECURITIES is Ranked No. 3 in Customer Base Following Nomura and Daiwa

Is it possible to overtake Daiwa's number of brokerage accounts within 2 years?

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

(Thousand accounts)

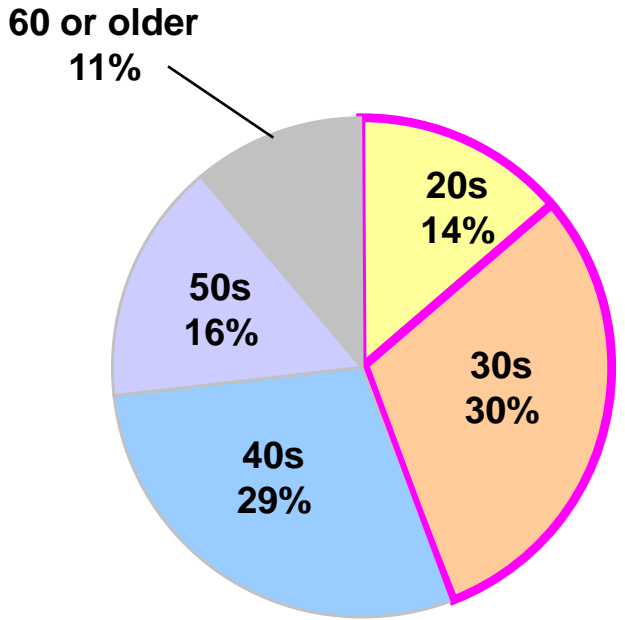
CAGR: %



Implications for Future Growth Based on Current Customer Characteristics

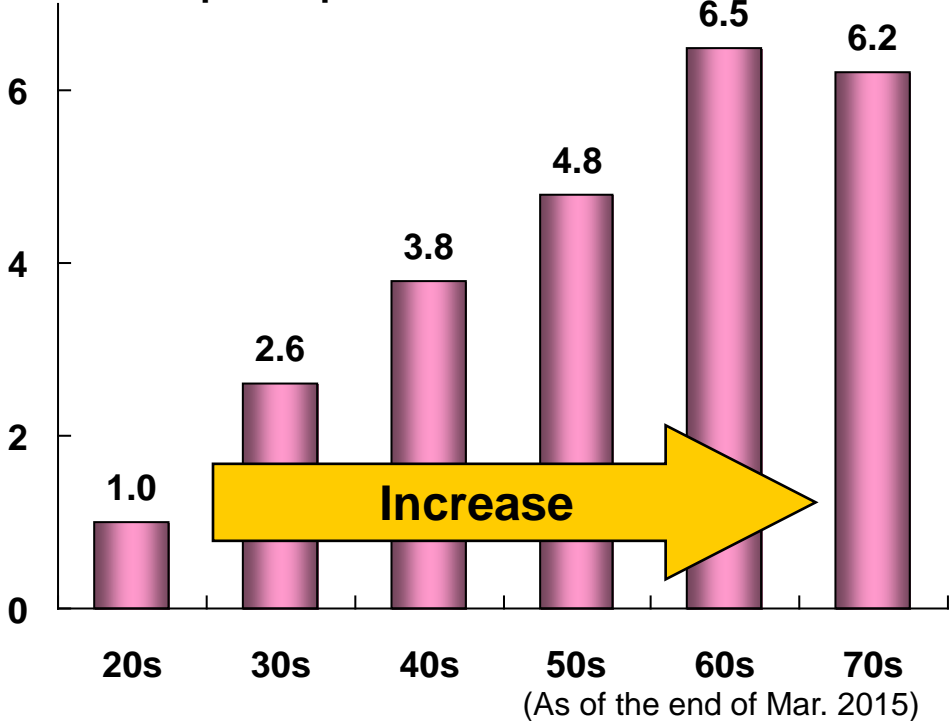
Customers of SBI Sumishin Net Bank

■ Retail Customer Age Brackets



■ Deposit Per Customer

* Indexed figures assuming a base value of 1 for deposits per retail customer in the 20s.



SBI Sumishin Net Bank's customers consist largely of the younger generation, whose assets are likely to increase as income rises and inheritances are obtained through the passage of time

Domestic financial institutions are in an over-banked situation

Number of Financial Institutions' Branches in Japan

As of the end of March, 2004

	Major banks (7 banks)	Regional banks (64 banks)	The second association of regional banks (50 banks)	Other banks (Trust banks and Long-term credit banks)	Shinkin Banks (306 banks)	Total
Number of branches	2,104	6,689	3,315	277	7,471	19,856

The number of branches are decreasing



As of the end of March, 2015

	Major banks (5 banks)	Regional banks (64 banks)	The second association of regional banks (41 banks)	Other banks (4 trust banks, Shinsei Bank and Aozora Bank)	Shinkin Banks (267 banks)	Total
Number of branches	2,032	6,717	2,854	259	6,898	18,760

Source: Compiled by SBIH from the disclosed data from Japanese Bankers Association and Shinkin Central Bank Research Institute

There is a movement toward the correcting of the over-banked situation

① Rapid growth in Japan's online financial business



SBI SECURITIES, SBI Sumishin Net Bank and SBI Insurance have Maintained a Rapid Growth Pace Since the Commencement of their Operations

	Start date of operations	Number of accounts (The figure for SBI Insurance is the number of contracts) (As of the end of Sept. 2015)	Compound annual growth rate of the number of accounts (The figure for SBI Insurance is the number of contracts) (%)		
			3 years since the end of the first year of starting the operation	5 years since the end of the first year of starting the operation	From the end of the first year of starting the operation to the end of Mar. 2015
SBI SECURITIES	Oct. 1999*	Approx. 3.41 million	47.4	49.5	28.1
SBI Sumishin Net Bank	Sept. 2007	Approx. 2.46 million	103.5	67.6	51.7
SBI Insurance	Jan. 2008	Approx. 780 thousand	809.7	329.6	196.0

*: Date of launch of SBI SECURITIES' online transaction operations

SBI Insurance achieved an extremely high growth rate since the start of its operation by fully benefitting from the completion of the financial ecosystem, and the product attributes (low price and loss adjustment service etc.)

“New Industry Creator” Initiatives

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

Cumulative number of investments, and the companies EXITed through IPOs and M&As
(Investees operated and managed by the Group from July 1999 to Mar. 2015)

Cumulative Investments

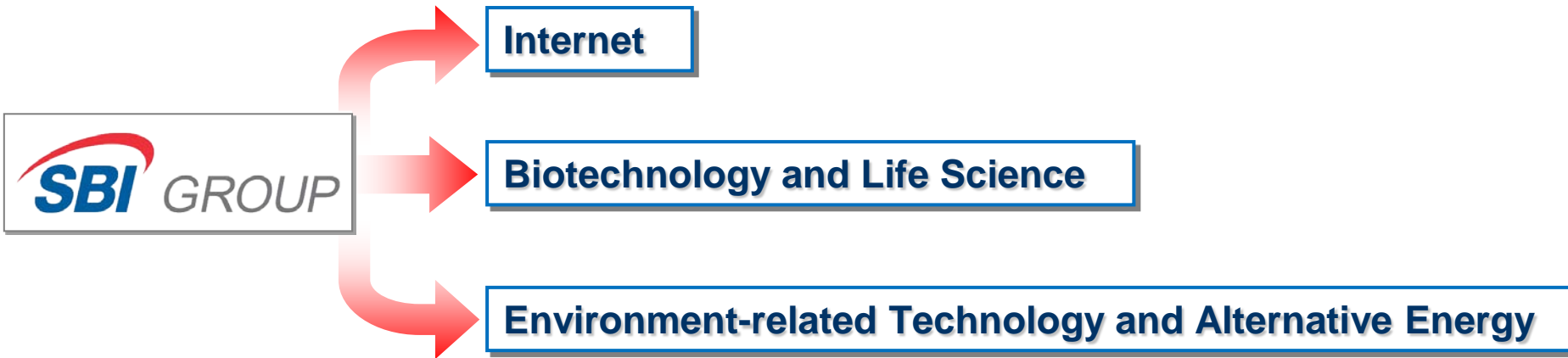
No. of Companies Invested in	Japan	Overseas
<u>1,091</u>	725	366

EXITs (IPO, M&A)

No. of Companies EXITed:	Japan		Overseas	
	IPO	M&A	IPO	M&A
<u>195</u>	87	22	64	22

(As of the end of Sept. 2015)

Established funds with over JPY 393.4bn(*1) in commitments, for focused investments into the following growth areas



- EXIT ratio is **17.9%** (SBI Investment’s EXIT ratio is 20.3%)
- Average IRR of funds matured since 2000 is **17.7%**(*2)

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

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

SBI's Med- and Long-term Vision Topics ①

[Financial Services Business]

Since the commercialization of the Internet in 1992, the younger generation are becoming the mainstream consumers and investors familiar with the Internet. By endeavoring to be in front of the continued development of the Internet and the communications technology, will endeavor to realize a dramatic growth in the Internet financial sector

- Established an overwhelmingly strong position in the rapidly growing online financial sector, through positive synergies and mutual evolution from the establishment of a financial ecosystem
- The younger generation customers, whose assets are likely to increase as income rises and inheritances are obtained, are likely to undertake a full-fledged asset building through the convenience and familiarity of the online financial transactions that present low cost and high interest rates

[Asset Management Business]

Domestically, investments into the new growth industries of the 21st century, IT/mobile and biotechnology fields, will be focused upon. Whereas the acceleration of the Internet financial services business overseas will be focused on rapidly growing Asia, in order to transit from “Japan's SBI” to the “World's SBI”

- Along with focused investments into the Internet and mobile new technology fields of FinTech, AI, IoT, etc., promoting an alliance strategy for FinTech field investee companies, and actively seeking overseas investment opportunities into financial services businesses, primarily in Asia
- In addition to aggressively investing into the financial services business overseas, centering on Asia, promoting the establishment of an online financial ecosystem overseas

[Biotechnology-related Business]

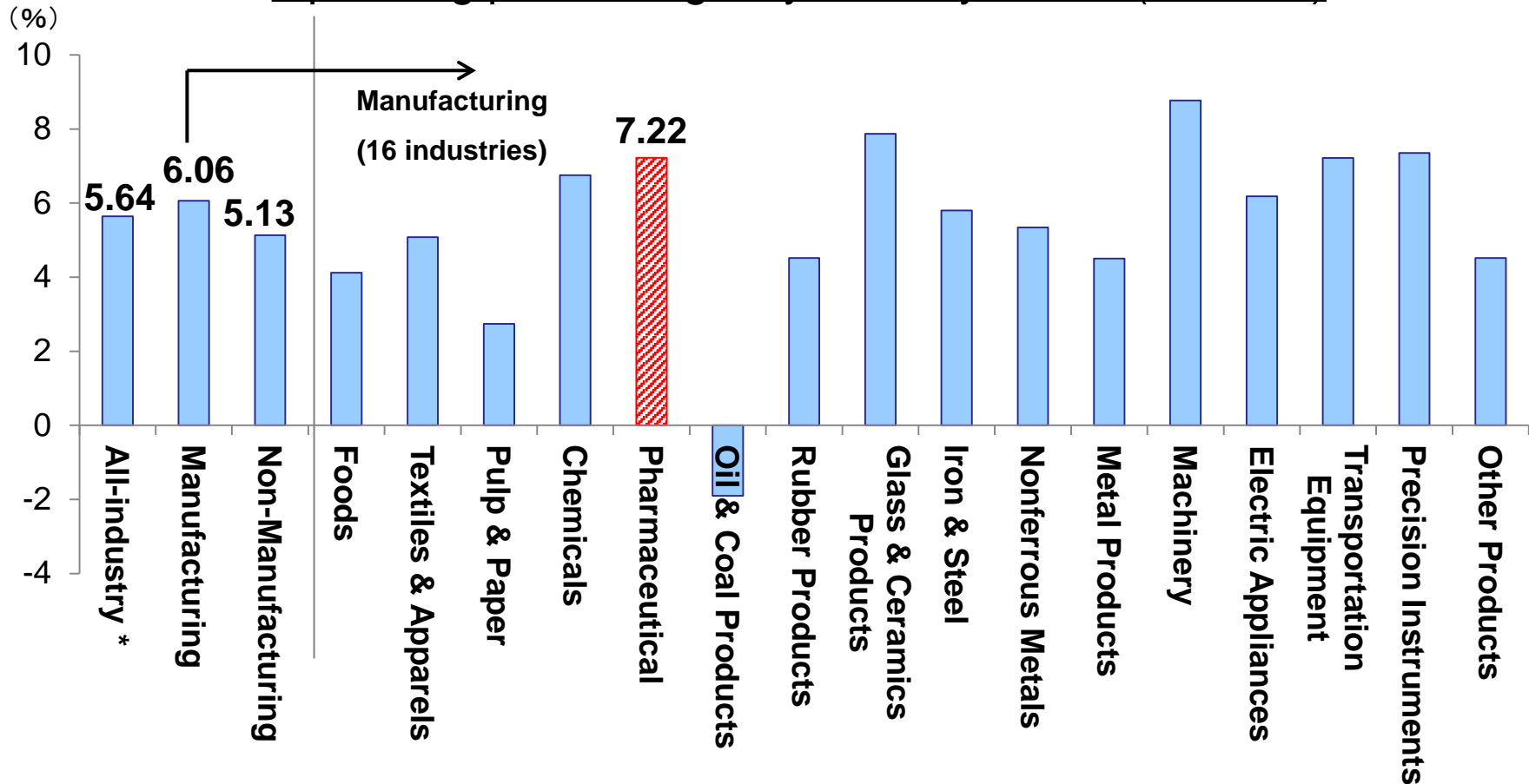
In addition to the health foods and cosmetics that utilize 5-ALA as its principal ingredient, in the pharmaceuticals area various basic research is being conducted, along with clinical studies, to realize profit maximization

- While the pharmaceutical industry's operating profit margin ranks high within the manufacturing sector, currently, the SBI Group is conducting basic research both domestically and overseas, on drugs that may cure a range of diseases, with the expectation of launching multiple drugs going forward. Additionally, progressing in the establishment of a production system that will significantly reduce manufacturing costs
- SBI Pharmaceuticals has been acquiring patents for the use of 5-ALA both domestically and abroad (24 patents have already been obtained in Japan, of which 10 patents were also obtained in several countries outside of Japan), promoted the expansion of its distribution area, and has out-licensed its health food products, in order for the SBI Group to establish a global monopolistic business foundation
- In the field of foods, including health foods, cosmetics and feeds, the development of a labeling system for foods with functional claims has been set as a priority, and are in preparations for clinical trials to expand its product offerings, as well as being in discussions for the out-licensing of technology and business partnerships to distribute its food products

The Pharmaceutical Business has a Low Correlation to Economic Trends, although High Profit Margins can be Expected

Among the 16 industry sectors of Manufacturing, operating profit margin for Pharmaceuticals is at a high level of 7.2%

Operating profit margin by industry sector (FY2014)



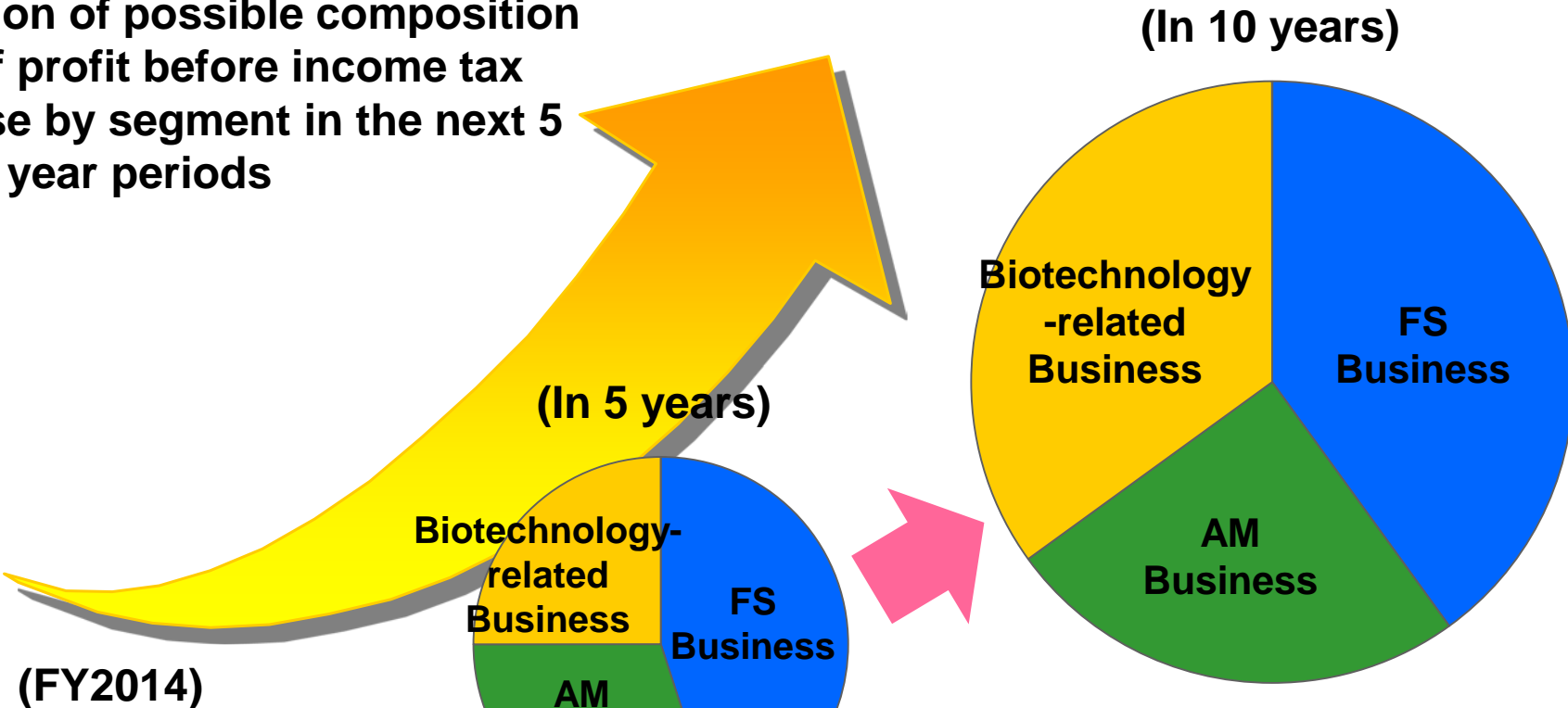
* The aggregated number of all industries is 1,683 companies, which excludes 138 companies belonging to the financial business

Source: JAPAN EXCHANGE GROUP "Summary of Earnings Digests by Listed Companies"

SBI's Med- and Long-term Vision

~SBI Group's positioning in the next 5 and 10 year periods~

Depiction of possible composition ratio of profit before income tax expense by segment in the next 5 and 10 year periods



(FY2014)

- FS Business** **JPY 67.3bn**
(Domestic financial services)
- AM Business** **JPY 8.1bn**
(Includes financial services overseas)
- Biotechnology
-related
Business** **JPY -7.3bn**

- 4. What are management's thoughts on SBI Holdings' stock price and shareholder returns?**
- (1) SBI Holding's recent stock price, and measures to promote the actualization of SBIH's corporate value**
 - (2) Continuously focuses on the enhancement of shareholder returns**

**(1) SBI Holding's recent stock price, and
measures to promote the actualization
of SBIH's corporate value**

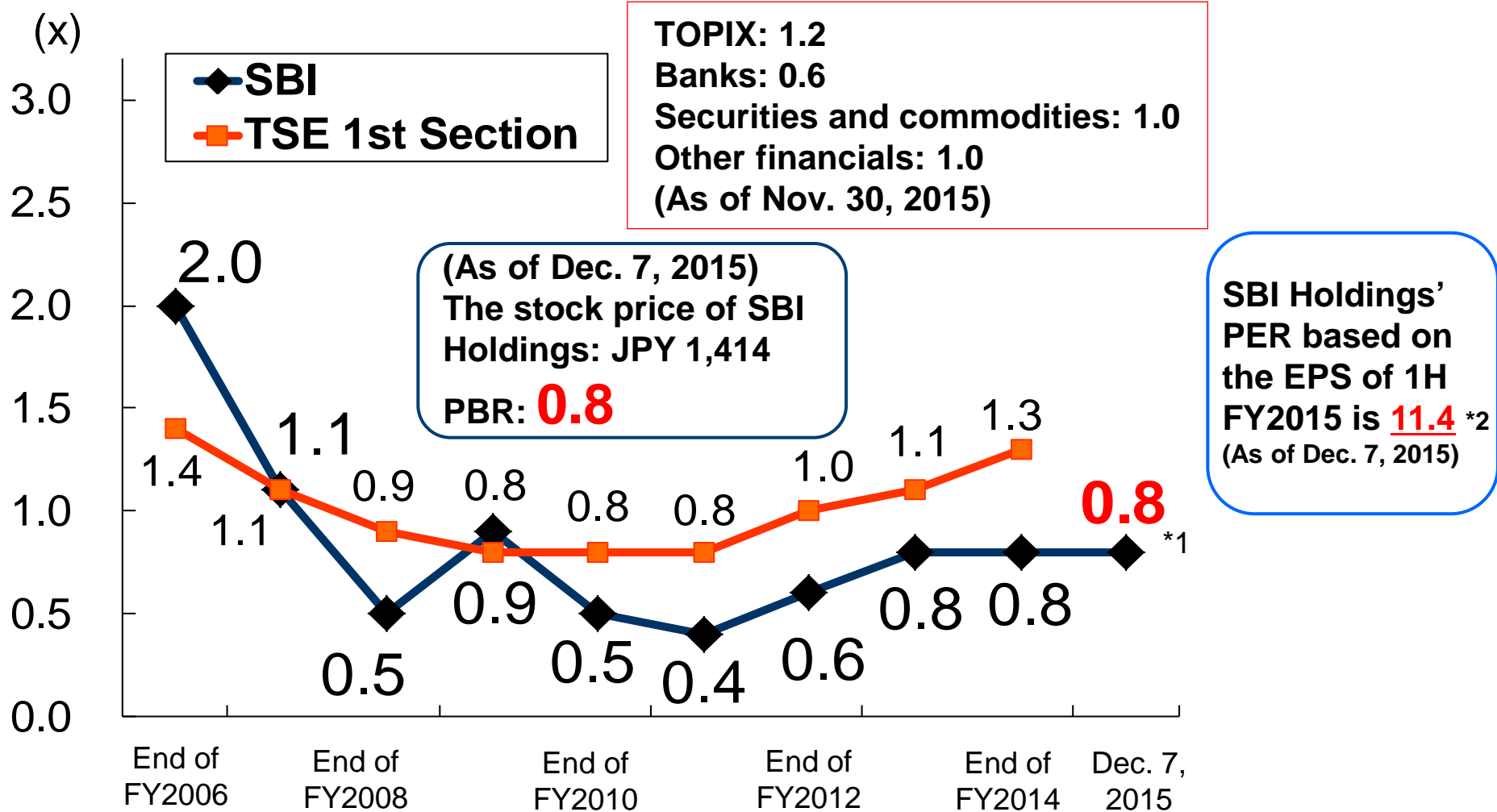
SBI Holding's Recent Stock Price

Market cap (based on the closing price on Dec. 7, 2015): **JPY 317.5bn**



Change in PBR of SBI Holdings

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



*1 PBR of SBI Holdings for Dec. 7, 2015 is calculated based on the BPS of the end of Sept. 2015.

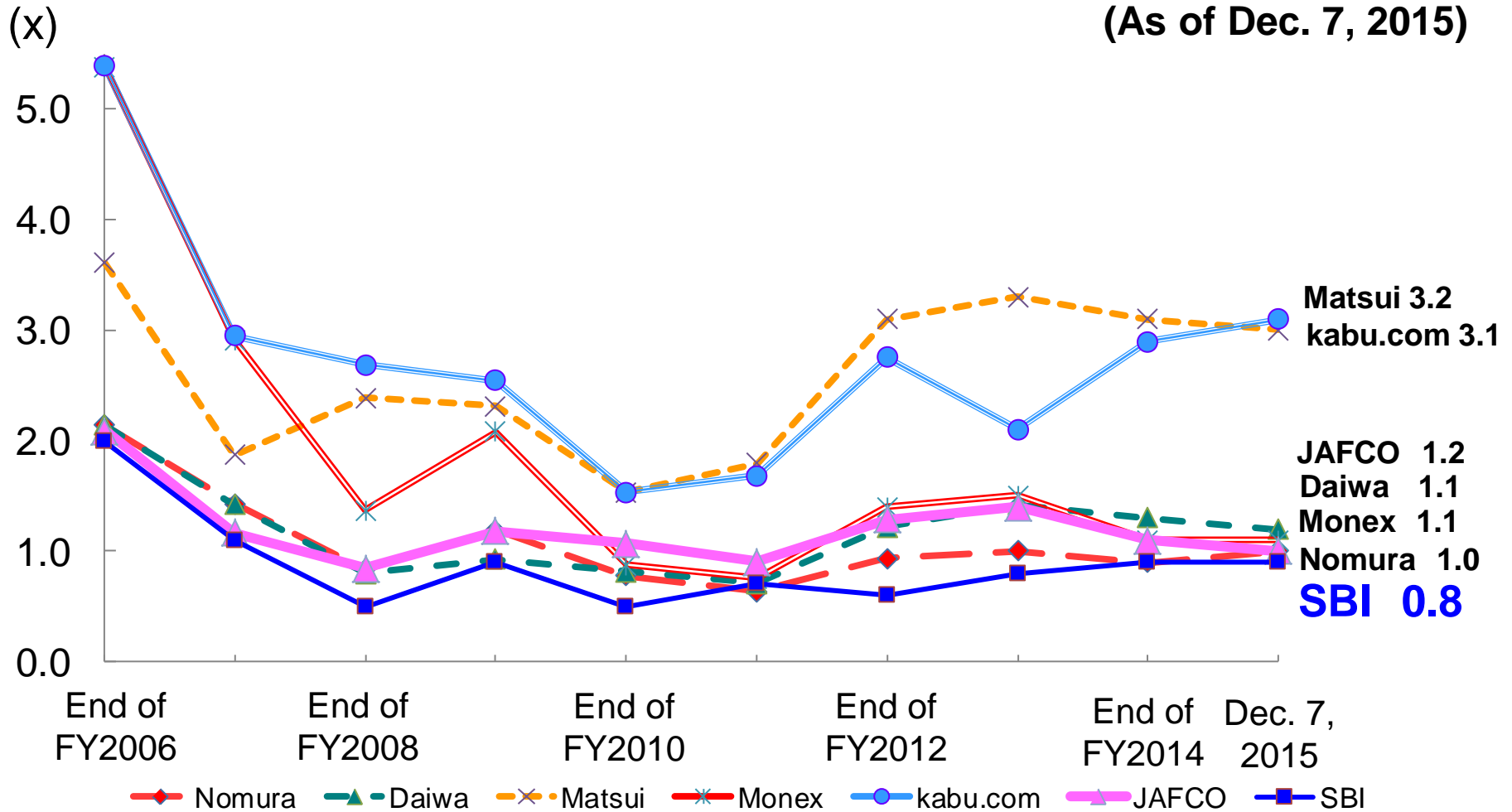
*2 EPS of 1H FY2015 (JPY 61.8) is used to calculate SBI Holdings' PER.

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 Dec. 7, 2015)



*PBR for Dec. 7, 2015 is calculated based on the BPS of the end of Sept. 2015.

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

Source: Bloomberg

Consideration of the Company's Corporate Value

Are PBR and PER of the Company undervalued compared to the competitors?

[Voice of some institutional investors]

- ◆ Since the Company is engaged in wide range of businesses, including the financial services business, the venture capital business and the biotechnology-related business, it is difficult to understand the Company
- ◆ Owing to the Company's wide range of businesses, it cannot be followed by one analyst, but must be followed by multiple analysts, and as such, a final evaluation among multiple analysts is difficult to be agreed upon. Therefore, coverage by sell-side analysts is limited to 2 foreign-affiliated securities companies, Deutsche Securities and Morgan Stanley MUFG Securities
- ◆ Since SBI SECURITIES, the largest online securities company, is under the aegis of the Company, Japanese securities companies will not issue reports on the Company
- ◆ Although each is an attractive business, perhaps a conglomerate discount* is applied, owing to the wide range of the Company's businesses ...etc.

* Conglomerate discount : When comparing the entire company's corporate value to the simple sum of the intrinsic value of each business, the problem is that the entire corporate value would be less than the sum of each business value

Decisive Solution for the Actualization of SBIH's Corporate Value

Actualization of SBIH's corporate value through the listing of intermediate holding companies

While maintaining the Tokyo Stock Exchange listing for SBI Holdings, the intermediate holding companies (SBI Capital Management, SBI GLOBAL ASSET MANAGEMENT and SBI ALA Hong Kong) will be listed on the domestic or overseas stock markets, in order to actualize SBI Holdings' corporate value



Upon clearing a number of issues, including tax issues, expect realization within three years

Corporate Value Visualization Initiatives to Date

Nov. 2010

- Established an intermediate holding company in each business segment, and determined the policy that the visualization of SBIH's corporate value will be realized through the listing of those entities

Apr. 14, 2011

- The first Japanese company to be listed on the Hong Kong Stock Exchange
This listing made it possible for other Japanese companies to overcome the technical difficulties involved in listing on the Hong Kong Stock Exchange
(Followed by the listing of Group companies and other on various Asian exchanges (main board of the Hong Kong Stock Exchange, KOSPI of Korea and TPEX of Taiwan), as the first Japanese company to be listed on those exchanges, thereby allowing the exploration of candidate markets)

Since Mar. 2012

- Toward the enhancement of the earnings capacity and the implementation of the structure noted above, aggressively promoted the business "Selection and Concentration"

Since FY2012

- The first Japanese financial firm, and the sixth listed company in Japan to apply IFRS (beginning with the first quarter results announcement)
This brings a marked improvement of transparency regarding the Group's results and an expanded a margin for choice of listing on overseas markets is expanded
- Establishment of intermediate holding companies for the three major businesses
 - SBI FINANCIAL SERVICES (Financial Services Business)
 - SBI Capital Management (Asset Management Business)
 - SBI ALA Hong Kong (Biotechnology-related Business)

FY2015

- In addition to the three intermediate holding companies, SBI GLOBAL ASSET MANAGEMENT newly established in the Asset Management Business as an intermediate holding company

The SBI Group's Listings on Overseas Exchanges

Hong Kong	Main board First Japanese company listed	SBI Holdings	In Apr. 2011, became the first Japanese company to be listed on the main board of the Hong Kong Stock Exchange (Delisted in June 2014)
	Main board	VeriTrans (formerly SBI VeriTrans)	Preparations for listing were being made before the sale to Digital Garage, and intermediate holding company, econtext Asia, was listed in Dec. 2013 after the sale. (Delisted in June 2015)
Korea	KOSPI First Japanese company listed	ARUHI (formerly SBI Mortgage)	In Apr. 2012, became the first Japan-based company to be listed on the KOSPI (Delisted in Jan. 2015)
	KOSDAQ	SBI AXES	Listed in Dec. 2012
Taiwan	TPEX (former GTSM) First Japanese company listed	Auto Server	Listed in Jan. 2014 as the first primary listing on the former GTSM by a Japanese company

The SBI Group has been the first Japanese company to undertake listings on several overseas exchanges, a track record that should pave the way for overseas listings of the intermediate holding companies.

Listings on the Shanghai Stock Exchange will be considered, depending on progress with deregulation in China.

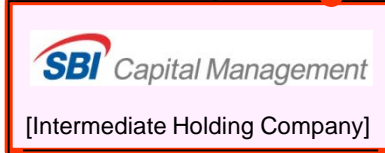
Assuming the Listing of the three Intermediate Holding Companies, other than the Financial Services Business

Maintaining the current management system of the Financial Services Business, under the aegis of SBI Holdings

Assuming the listing of each Intermediate Holding Company domestically or abroad



 (SBI SECURITIES) [Comprehensive online securities]	 [Proprietary trading system]
 [Internet bank]	 [Provision of market infrastructure to FX trading]
 [Internet nonlife insurance]	 [Pure-play FX broker]
 [Life insurance]	 [Operation of "Face-to-face" shops]



 [Venture capital fund management]
 [Singaporean subsidiary]
<p>Overseas bases, GP of overseas funds, Overseas financial institutions, Investee companies</p>



 [Investment trusts ratings]
 [Investment advisory]
 [Investment advisory]



 [Development of 5-ALA related products (pharmaceutical business)]
 [Sales of 5-ALA related products]
 [R&D of pharmaceuticals]
<p>Investee companies</p>

Financial Services Business

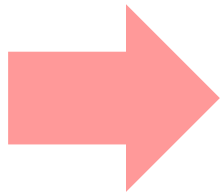
Asset Management Business

Biotechnology-related Business

Being Included as a JPX-Nikkei Index 400 Stock from this Year

Objective of JPX-Nikkei Index 400

Composed of companies meeting various global investment criteria requirements that have a high appeal for investors, to endeavor to appeal the attractiveness of Japanese companies both domestically and abroad, and through the encouragement of continued improvements in corporate value, contribute to the revitalization of the Japanese stock market



The index is composed only of blue chip stocks with high investment appeal

In addition to quantitative indicators such as ROE and operating income, selection was made on the basis of a scoring by qualitative factors, such as the appointment of independent outside directors and the adoption of IFRS, with a particular emphasis on the profitability of the 400 selected companies

Reflects the results of the strengthened earnings capacity through the aggressive promotion of business “Selection and Concentration,” as well as being the sixth listed company in Japan and the first Japanese financial institution to adopt IFRS, since the first quarter of the fiscal year ended
Mar. 31, 2013.

**Continue to aggressively promote global business development,
along with a sustainable expansion of corporate value**

(2) Continuously focuses on the enhancement of shareholder returns

An Interim Dividend of JPY 10 per share Planned, Owing to the Steady Performance of the Core Financial Services Business

[Dividend forecast (results) per share]

	End of 2Q	Year-end	Full-year
FY2015 (forecast)	<u>JPY 10</u>	TBD	TBD
FY2014 (results)	—	JPY 35 (Ordinary dividend: 30) (Commemorative dividend: 5)	JPY 35 (Ordinary dividend: 30) (Commemorative dividend: 5)

**Endeavoring to achieve a total shareholder
return ratio of 40% for the fiscal year-end**

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

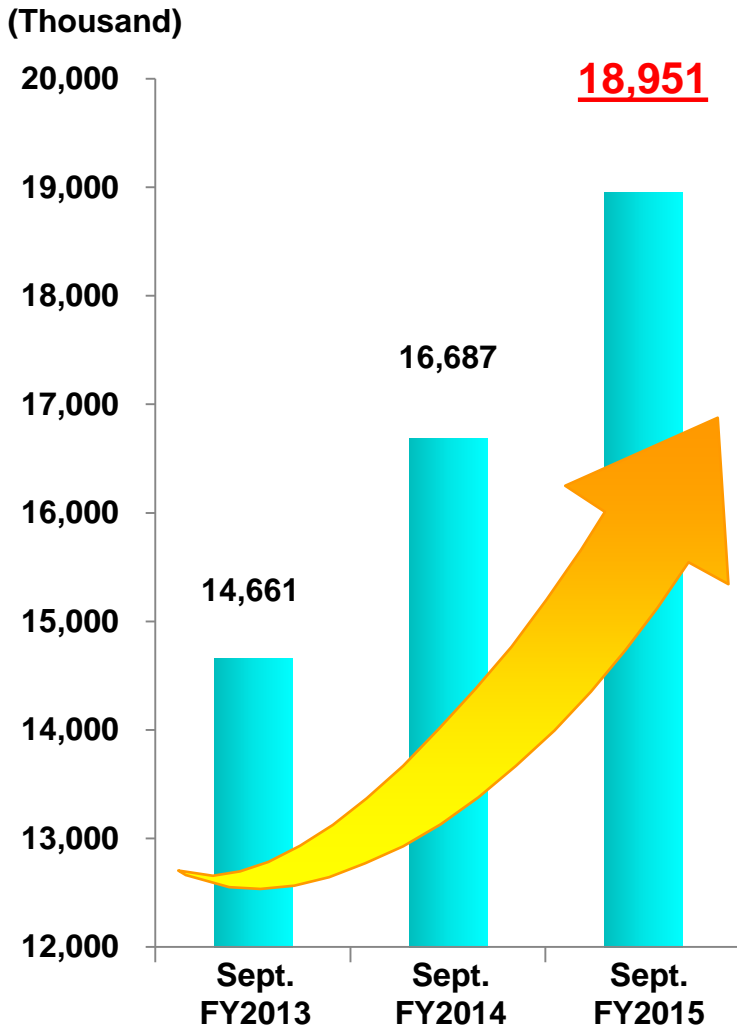
$$\text{Shareholder return ratio} = \frac{\text{Total dividend payouts} + \text{Share repurchase costs}}{\text{Profit attributable to owners of the Company}}$$

[Reference]

The SBI Group's Customer Base

Breakdown of the Customer Base

(As of the end of Sept. 2015)^{*1,2}
(Thousand)



SBI SECURITIES	(No. of accounts)	3,409
SBIH InsWeb	(No. of customers)	7,363
E-LOAN	(No. of customers)	1,855
MoneyLook	(Total no. of customer registrations)	924
Morningstar Japan	(New portfolio customer registrations)	142
SBI Card	(Valid cards issued)	70
SBI Sumishin Net Bank	(No. of accounts)	2,458
SBI Insurance	(Total no. of contracts) ^{*3}	794
SBI Life Insurance	(Total no. of contracts)	113
Autoc one	(Total no. of service users in year)	1,053
Others (SBI Point etc.)		770
Total		18,951

*1 The cases that customers who are not identified as the same person within each service website and overlapping customers among the Group companies are double counted.

*2 Owing to the reorganization, customer numbers of the Group companies, which were excluded from consolidation, are not included in the figures for the past customer bases.

*3 The total number of contracts of SBI Insurance excludes continuing contracts, expiring contracts and early-withdrawals.

Number of Companies and Consolidated Employees of the SBI Group

Number of Group companies

	Mar. 31, 2015	Sept. 30, 2015
Consolidated subsidiaries (companies)	142	138
Consolidated partnerships (partnerships)	31	32
Total consolidated subsidiaries (companies)	173	170
Equity method companies (companies)	39	38
Total Group companies (companies)	212	208

Number of consolidated employees

	Mar. 31, 2015	Sept. 30, 2015
Total employees (persons)	6,094	5,464*

* Owing to a company that was temporarily consolidated because of a buy-out fund, but was later sold, so there was a decrease of 756 employees.

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