



*Strategic
Business
Innovator*

SBI Holdings, Inc.
FY2015 Financial Results
(Year Ended Mar. 31, 2016)

April 28, 2016

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

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

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

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

- 1. Summary of FY2015 consolidated financial results**
- 2. The SBI Group, having entered into a new rapid growth period, will endeavor to continue to sustain its high growth by proactively utilizing new technologies, along with enhancing its products and services**

- 1. Summary of FY2015 consolidated financial results**
 - (1) FY2015 consolidated performance**
 - (2) Highlights of FY2015 consolidated performance**
 - (3) FY2015 shareholder returns implemented upon positive financial returns**

(1) FY2015 consolidated performance

FY2015 Consolidated Performance (IFRS)

(Unit: JPY million)

	FY2014 (Apr. 2014 - Mar. 2015)	FY2015 (Apr. 2015 - Mar. 2016)	YoY % change
Revenue	247,423	261,744 Historical high	+5.8
Profit before income tax expense	63,067	52,227	-17.2
Profit for the period	39,314	36,666	-6.7
Profit attributable to owners of the Company	45,721	34,115	-25.4
Ratio of profit equity attributable to the owners of the Company (R O E, %)	12.9	9.0	-3.9 p.

FY2015 Profit before Income Tax Expense Increased 19.1% Year-on-year, in Comparison with Figures Excluding the One-time Effect from the Sales of ARUHI (formerly SBI Mortgage) and SBI Life Living Recorded in FY2014

[FY2015 Period Consolidated Performance (IFRS: Year-on-year)]

(Unit: JPY million)

	FY2014 (Apr. 2014 - Mar. 2015)	FY2015 (Apr. 2015 - Mar. 2016)	YoY % change
Revenue excluding the previous FY's special factors	221,072	261,744	+18.4
Profit before income tax expense excluding the previous FY's special factors	43,840	52,227	+19.1

Special factors of FY2014 consolidated financial results (IFRS)

(Unit: JPY million)

	Revenue	Profit before income tax expense
Effect from the sale of ARUHI (formerly SBI Mortgage)	20,322	17,065
Effect from the sale of SBI Life Living	6,029	2,162
Total	26,351	19,227

FY2015 Revenue by Segment (IFRS) ^{*1}

[Year-on-year]

(Unit: JPY million)

	FY2014 (Apr. 2014 - Mar. 2015)	FY2015 (Apr. 2015 - Mar. 2016)	YoY % change
Financial Services Business	160,093 ^{*2}	159,012	-0.7
Figures excluding the effect from the sale of ARUHI (formerly SBI Mortgage)	139,771	159,012	+13.8
Asset Management Business	71,316 ^{*2}	98,725	+38.4
Biotechnology-related Business	2,183	4,021	+84.3
Others	15,731	2,259	-85.6
Figures excluding the effect from the sale of SBI Life Living	9,702	2,259	-76.7

*1 Figures are before elimination of inter-segment transactions

*2 Revenue for FY2014 decreased by JPY 4,607m in the Financial Services Business, and increased by JPY 5,001m 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 394m is eliminated as inter-segment transactions)

FY2015 Profit before Income Tax Expense by Segment (IFRS)

[Year-on-year]

*1
(Unit: JPY million)

	FY2014 (Apr. 2014 - Mar. 2015)	FY2015 (Apr. 2015 - Mar. 2016)	YoY change (YoY % change)
Financial Services Business	66,524 <small>*2</small>	50,458	-16,066 (-24.2)
Figures excluding the effect from the sale of ARUHI (formerly SBI Mortgage)	49,459	50,458	+999 (+2.0)
Asset Management Business	8,917 <small>*2</small>	17,996	+9,079 (+101.8)
Biotechnology-related Business	-7,310	-6,572	+738 (-)
Others	2,779	-835	-3,614 (-)
Figures excluding the effect from the sale of SBI Life Living	617	-835	-1,452 (-)

*1 Figures are before elimination of inter-segment transactions

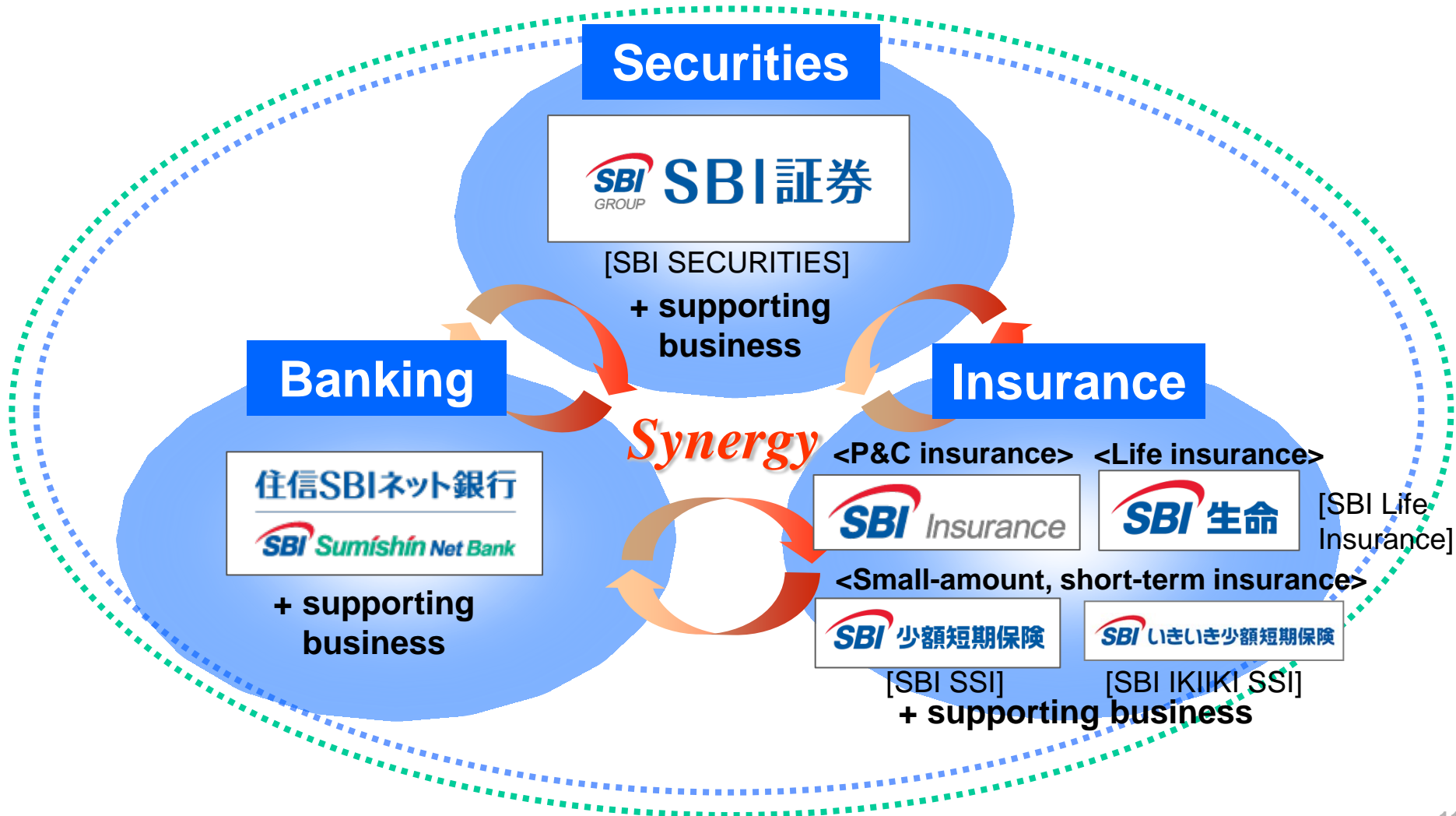
*2 Profit before income tax expense for FY2014 decreased by JPY 785m in the Financial Services Business, and increased by JPY 785m in the Asset Management Business, owing to the segment transfer of Morningstar Japan and other companies from the Financial Services Business to the Asset Management Business segment

(2) Highlights of FY2015 consolidated performance

- ① In the Financial Services Business, the domestic financial ecosystem was completed, and its profitability has significantly increased through the creation of synergies and mutual evolution**
- ② The near completion of the business “Selection and Concentration” also contributed to the increase in profitability**
- ③ In the Asset Management Business and the Financial Services Business, transitioning to a stage of development and growth, by acting in concert and mutually supporting each other**
- ④ In the Biotechnology-related Business, entering a full-scale growth stage through steady progress and strategic moves, toward the further expansion of the business and the development of the pipeline**

- ① In the Financial Services Business, the domestic financial ecosystem was completed, and its profitability has significantly increased through the creation of synergies and mutual evolution**
- The results of SBI SECURITIES, which is the largest “cash cow” of the Financial Services Business, achieved record high profits for three consecutive periods**
 - SBI Insurance and SBI Remit, which were unprofitable business entities, achieved first full-year profitability**
 - Other major Financial Services Business companies also achieved record high profits**

With the Three Core Businesses, Consisting of the Securities, Banking and Insurance Businesses, Exerting Mutually Synergistic Effects and Achieving Mutual Evolution, the Financial Services Business has Completed a System which Embodies Competitive Advantages and Differentiates Itself from Its Competitors



SBI SECURITIES, which has Promoted a Diversification of Its Earnings Sources, Recorded Historical Highs in Operating Revenue and in All Profit Categories for Three Straight Fiscal Years



SBI SECURITIES FY2015 Period Consolidated Results (J-GAAP) [Year-on-year] (Unit: JPY million)

	FY2014 (Apr. 2014 - Mar. 2015)	FY2015 (Apr. 2015 - Mar. 2016)	YoY % change
Operating Revenue	77,577	89,786	+15.7
Net Operating Revenue	72,188	82,906	+14.8
Operating Income	34,680	39,881	+15.0
Ordinary Income	34,736	39,889	+14.8
Profit attributable to owners of the Company	20,127	28,087	+39.5

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

Comparison of Major Securities Companies' Net Income (J-GAAP; YoY)

[Year-on-year]

(Unit: JPY million)

		FY2014 (Apr. 2014 - Mar. 2015)	FY2015 (Apr. 2015 - Mar. 2016)	YoY % change
Online securities	SBI (cons.)	20,127	28,087	+39.5
	Monex (cons.)	3,494	3,554	+1.7
	Rakuten (cons.)	12,881	15,299	+18.8
	Matsui	15,571	14,763	-5.2
	kabu.com	7,640	8,016	+4.9
Face-to-face	Nomura * (cons.)	224,785	131,550	-41.5
	Daiwa (cons.)	148,490	116,848	-21.3
	SMBC Nikko (cons.)	64,747	42,106	-35.0

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

Comparison of Major Securities Companies' Net Income

(J-GAAP; Previous Year QoQ Comparison)

[Quarter-on-quarter]


(Unit: JPY million)

		4Q FY2014 (Jan. 2015 - Mar. 2015)	4Q FY2015 (Jan. 2016 - Mar. 2016)	QoQ % change
Online securities	SBI (cons.)	5,492	9,474	+72.5
	Monex (cons.)	1,613	354	-78.1
	Rakuten *1 (cons.)	3,544	4,964	+40.1
	Matsui	4,725	2,865	-39.4
	kabu.com	2,405	1,412	-41.3
Face-to-face	Nomura *2 (cons.)	82,014	-19,153	—
	Daiwa (cons.)	38,522	21,311	-44.7
	SMBC Nikko (cons.)	18,716	1,969	-89.5

*1 Rakuten recorded JPY 2,988m of “profit and loss on sales of operational investment securities” in 4Q FY2015.

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

SBI Insurance and SBI Remit, which were Unprofitable Business Entities, Achieved Their First Full-year Profitability since Their Establishment

 **SBI損保** (Non-life insurance: started its business in Jan. 2008)

- In its ninth year of operation, the company achieved full-year profitability under IFRS for the first time through steady accumulation of insurance contracts, mainly automobile insurance, and rigorous cost reduction.

 **Remit** (International money remittance service: started its business in Dec. 2010)

- Philippines bound remittances increased steadily
- Vietnam and China bound remittances rapidly increased

Profit before income tax expense (IFRS)

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

	FY2014 (Apr. 2014 - Mar. 2015)	FY2015 (Apr. 2015 - Mar. 2016)	YoY change
SBI Insurance	-618	90	+708
SBI Remit	-137	111	+248

Other Major Financial Services Business also Achieved Record High Profits

Profit before income tax expense (IFRS)

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

	FY2014 (Apr. 2014 - Mar. 2015)	FY2015 (Apr. 2015 - Mar. 2016)	YoY change (YoY % change)
SBI Liquidity Market	3,046	Historical High 3,303	+257 (+8.4)
SBI FXTRADE	1,695	Historical High 1,897	+202 (+11.9)
SBI Japannext	1,081	Historical High 1,493	+412 (+38.1)
SBI MONEY PLAZA	1,496	Historical High 1,751	+255 (+17.0)
SBIH Comparison Website Business	1,666	Historical High 1,756	+90 (+5.4)
SBI Benefit Systems	156	Historical High 251	+95 (+60.8)

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

② The near completion of the business “Selection and Concentration” also contributed to the increase in profitability

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

Sales and transfer of non-core subsidiaries

[Subsidiaries sold after Mar. 2012]

- SBI VeriTrans (currently VeriTrans), Wall Street Journal Japan, SBI Capital Solutions, SBI Mortgage (currently ARUHI) and SBI Life Living

[Subsidiaries sold and transferred in FY2015]

- SBI Card (transferred to SBI Sumishin Net Bank in Oct. 2015)
- Autoc One (Mar. 2016)



**Recovered JPY 50bn in total through sales of subsidiaries,
including partial sales, since Mar. 2012**

Sales of real estate holdings

Continued the sales of real estate holdings, recovering a total of approx. JPY 17.8bn in FY2014 and FY2015. Will continue to promote the sales of the remaining real estate holdings, worth approx. JPY 3bn

The Business “Selection and Concentration” is almost Completed

Determined the sales of Phnom Penh Commercial Bank in Cambodia

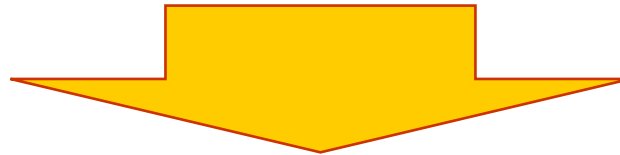


ធនាគារ ភ្នំពេញ កាណាឌីយ៉ូ
Phnom Penh Commercial Bank

SBI Group’s shareholding: 47.6%* (As of the end of Mar. 2016)



SBI Group’s shareholding, including dilutive shares: 91.0%



With a consortium led by Jeonbuk Bank of South Korea, have already signed an agreement to transfer the entire shares of Phnom Penh Commercial Bank for a total of USD 134m, and the sale is expected to be completed upon the authorizations from the relevant South Korean and Cambodian financial authorities

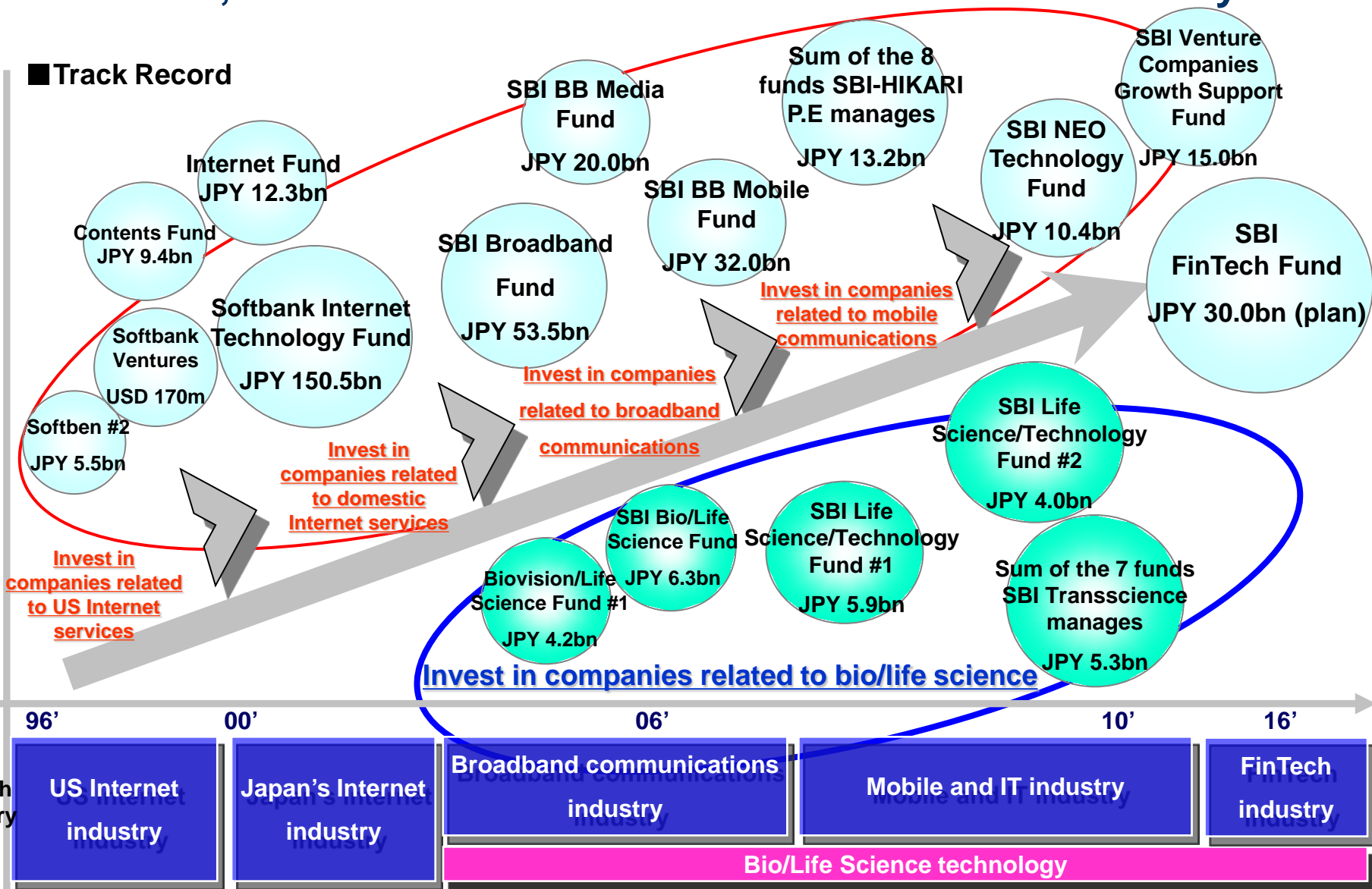
→ On the basis of the current estimates, will recover about JPY 10-11bn, which will have a positive effect of approx. JPY 4bn for profit before income tax expense in FY2016 (includes selling expenses and such at the time of sale)

The sale of NARUMIYA INTERNATIONAL (manufacture, processing and sales of children’s wear and related products) and others are being considered and prepared

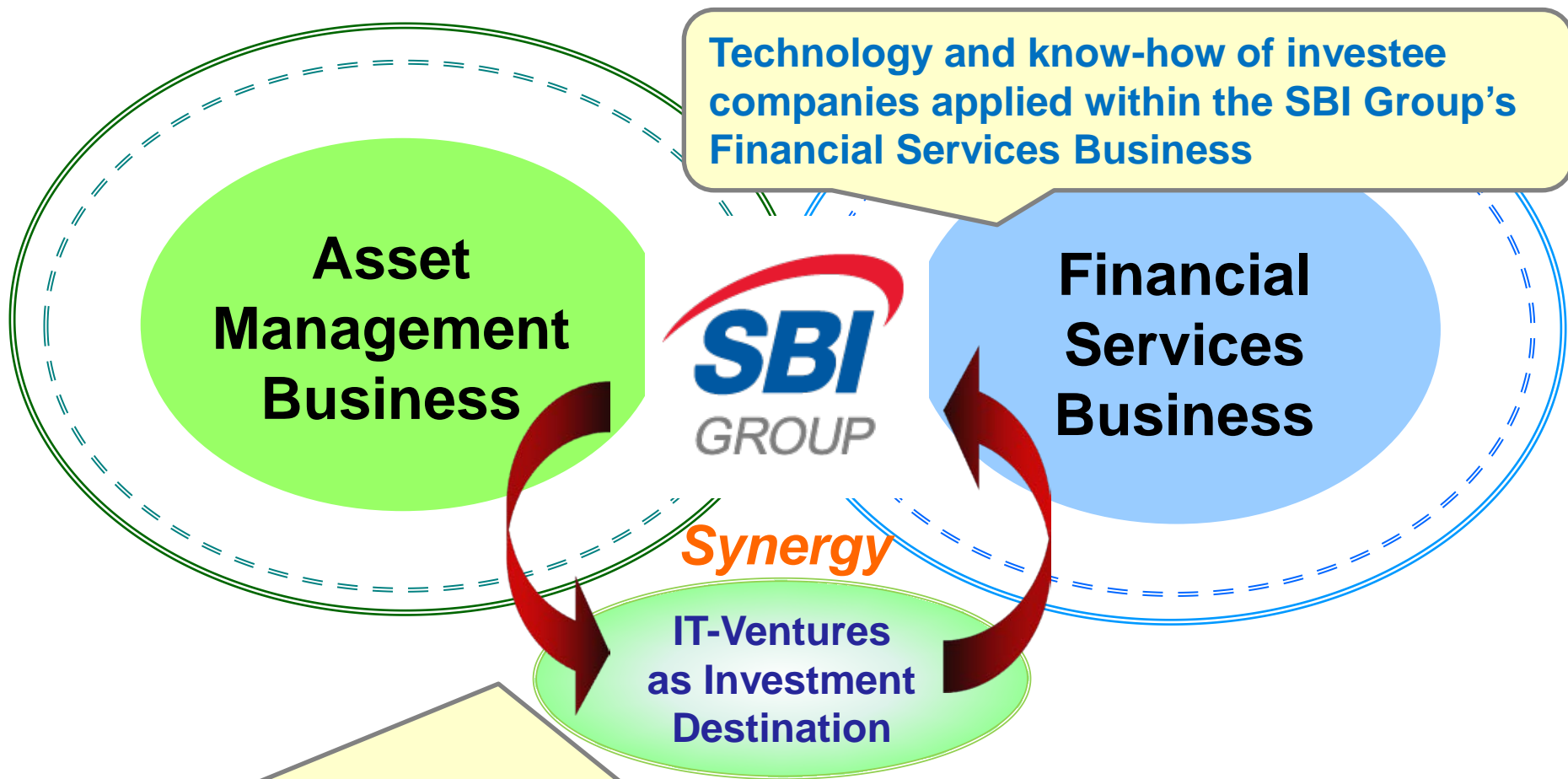
- ③ In the Asset Management Business and the Financial Services Business, transitioning to a stage of development and growth, by acting in concert and mutually supporting each other**
- Concentrated investment in the IT sector has a positive impact on both the Asset Management Business and the Financial Services Business and contributes to their development**
 - SBI Savings Bank in South Korea has completed revitalization and continues on a profit growth track thanks to an improving non-performing loan balance, a falling delinquency ratio, and other positive developments**

Since Its Establishment in 1999, SBI has Promoted Venture Capital Investments Primarily into the IT and Biotechnology Sectors, which are the Growth Sectors of the 21st Century

Track Record



IT Focused Investments Positively Impacted Both the Asset Management Business and the Financial Services Business, and Contributed to Their Development



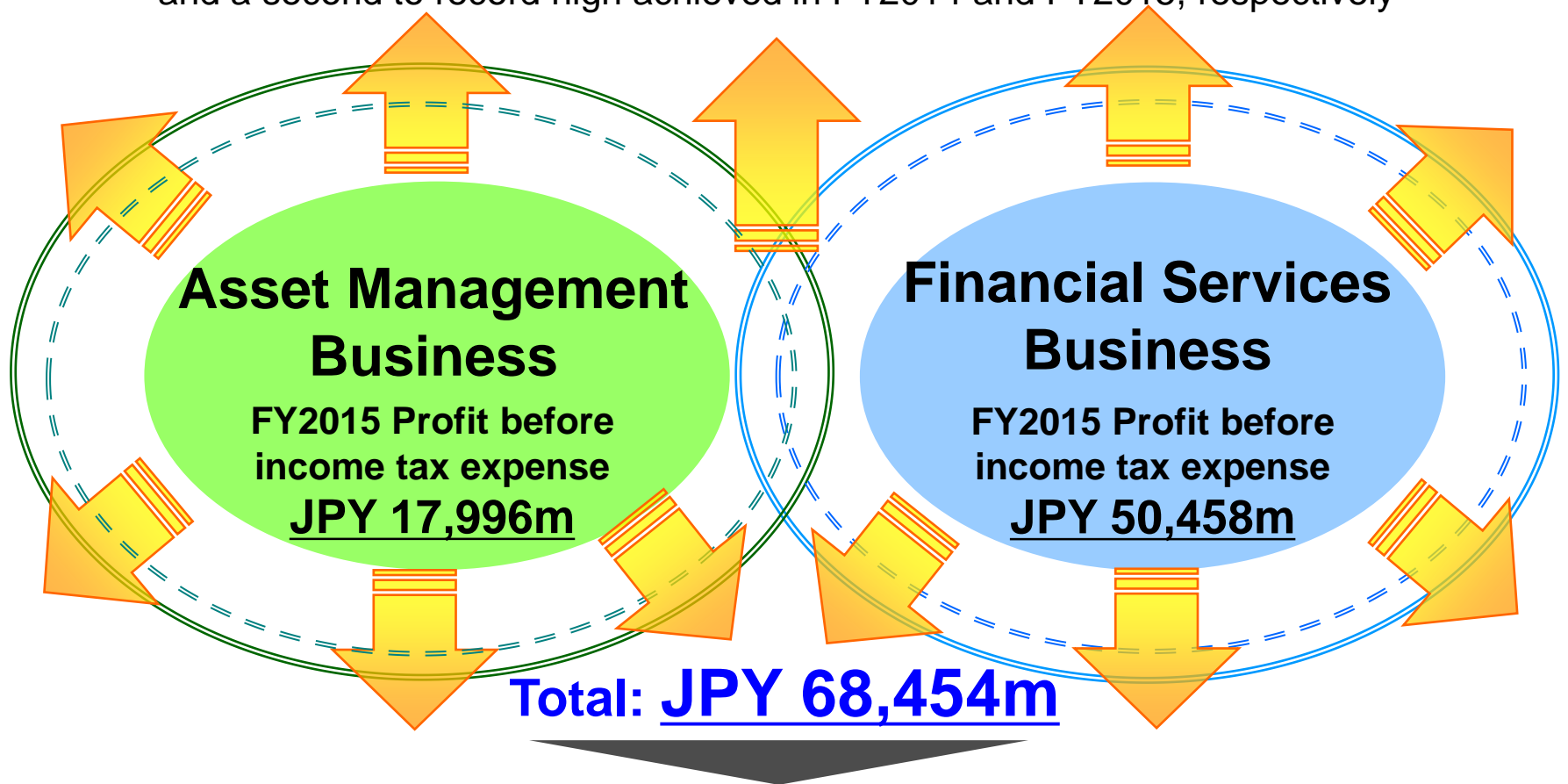
The Financial Services Business, which uses the Internet as its main sales channel, is deepening the Group's knowledge of IT technologies and leading to more precise investing and high performance^(*1) of operated funds.

(*1) The average IRR of funds established since the second half of the 1990s^(*2) is 13.1.

(*2) Average IRR of Softven No. 2 Investment Partnership, SOFTBANK VENTURES SILENT PARTNERSHIP, SOFTBANK CONTENTS FUND, and SOFTBANK INTERNET TECHNOLOGY FUND

The Financial Services Business and the Asset Management Business were the Two Pillars that Led the Positive Financial Results Achieved in FY2015

Also in FY2015, the Financial Services Business and the Asset Management Business led the results, with operating income of JPY 38.5bn and JPY 10.4bn, respectively, toward a then consolidated operating income record of JPY 49.6bn, which was exceeded by a record high and a second to record high achieved in FY2014 and FY2015, respectively

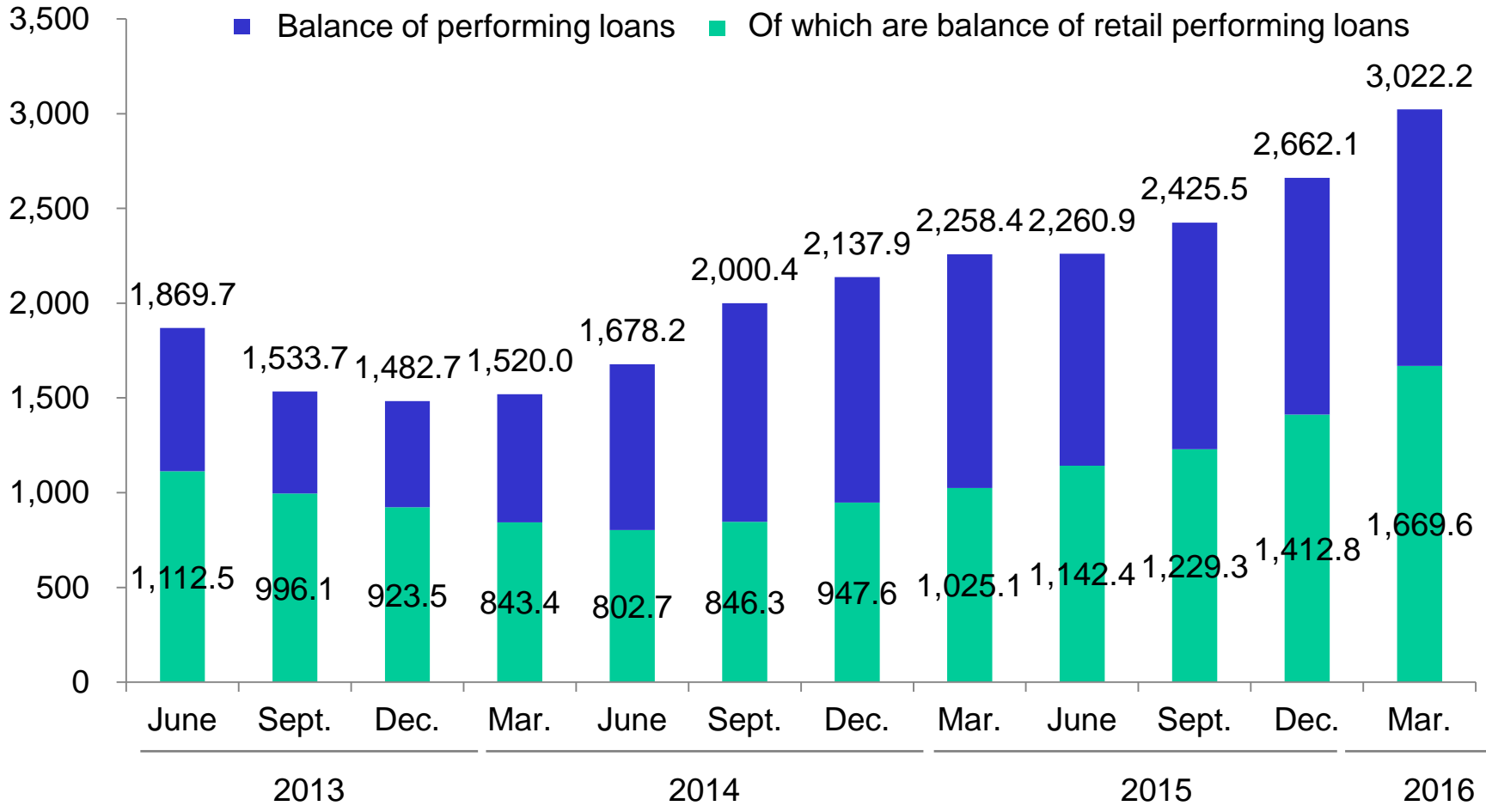


FY2015 Consolidated profit before income tax expense: JPY 52,227m

SBI Savings Bank of South Korea's Balance of Performing Loans Increased Steadily, Primarily in the Retail Sector

Balance of Performing Loans*

(KRW billion)

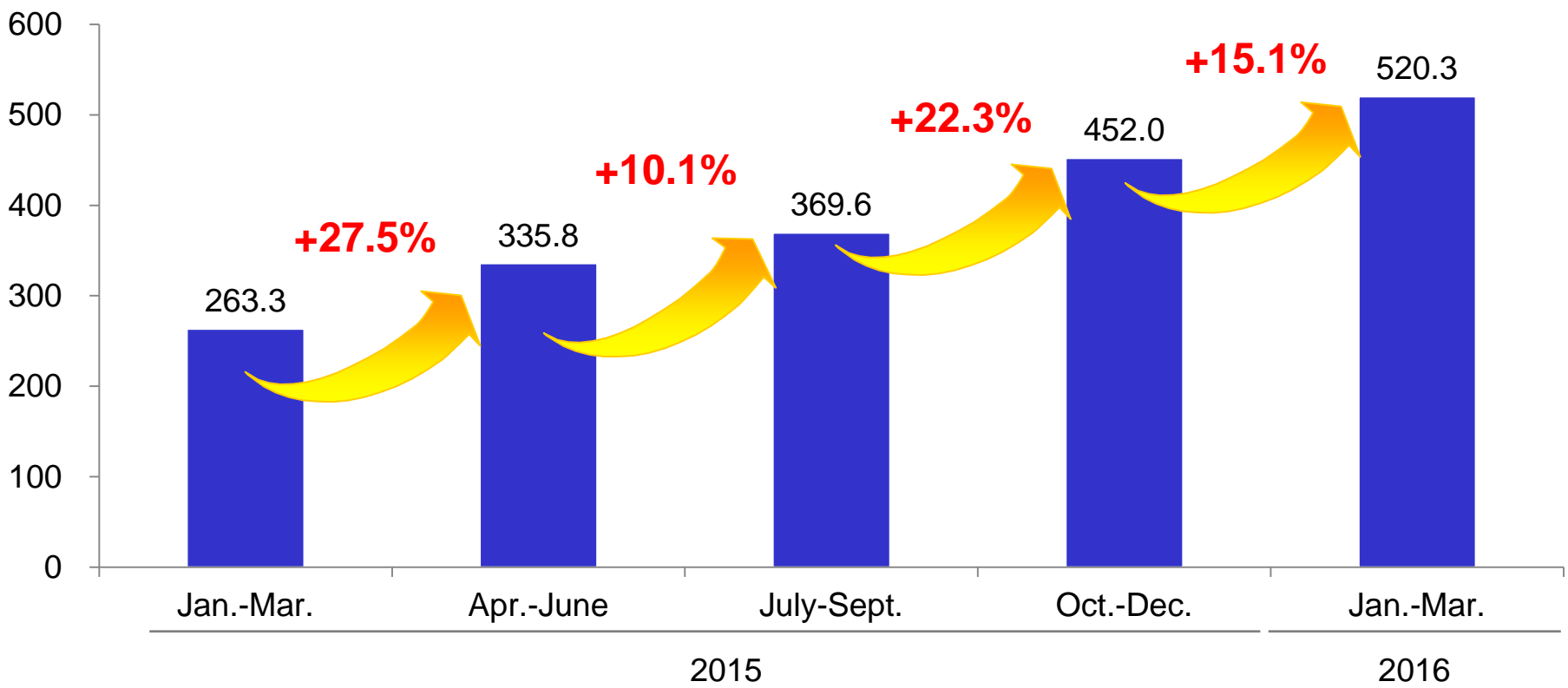


* Based on K-GAAP

With the release of the retail mobile credit loan product “Cyder” in Dec. 2015, steadily acquired new retail credit

Change in New Retail Credits Since Jan. 2015*

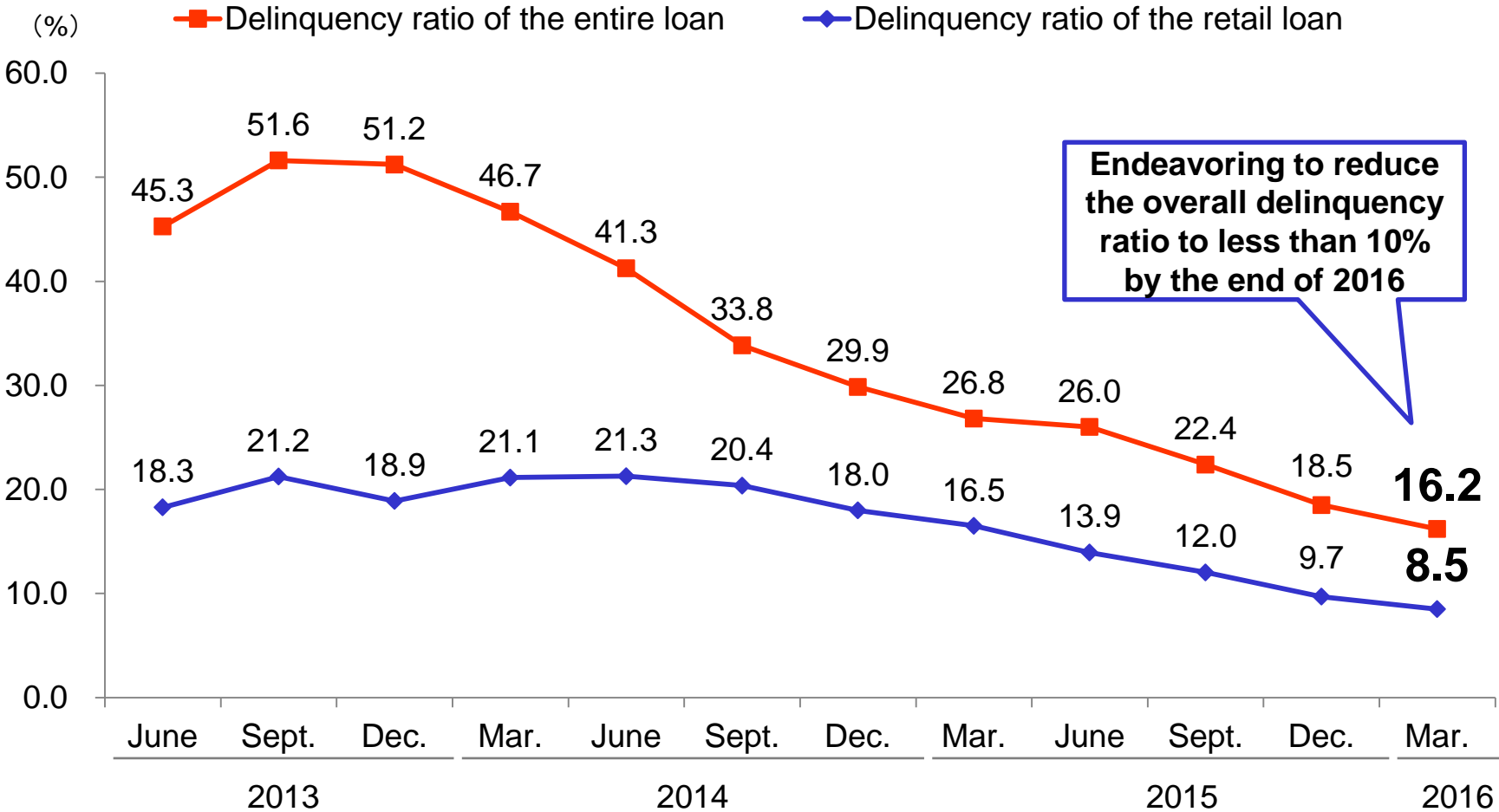
(KRW billion)



*Based on K-GAAP

Loan Quality Improved Significantly

Change in Delinquency Ratio*



* Based on K-GAAP

Profitability of the Core Loan Business has Steadily Increased

Net interest income (interest income minus interest expense), a measure of profit in the loan business, remained stable and the bank has established a structure capable of generating profits from its core operations

Quarterly Financial Results based on K-GAAP

(KRW billion)

	July - Sept. 2015 (1Q FY2015)	Oct. - Dec. 2015 (2Q FY2015)	Jan. - Mar. 2016 (1Q FY2016)
Operating revenue	110.0	118.8	120.7
Profit for the period	5.9	11.3	12.9

*1 The results for 1Q FY2016 are preliminary results, which are not subject to an audit by the auditor

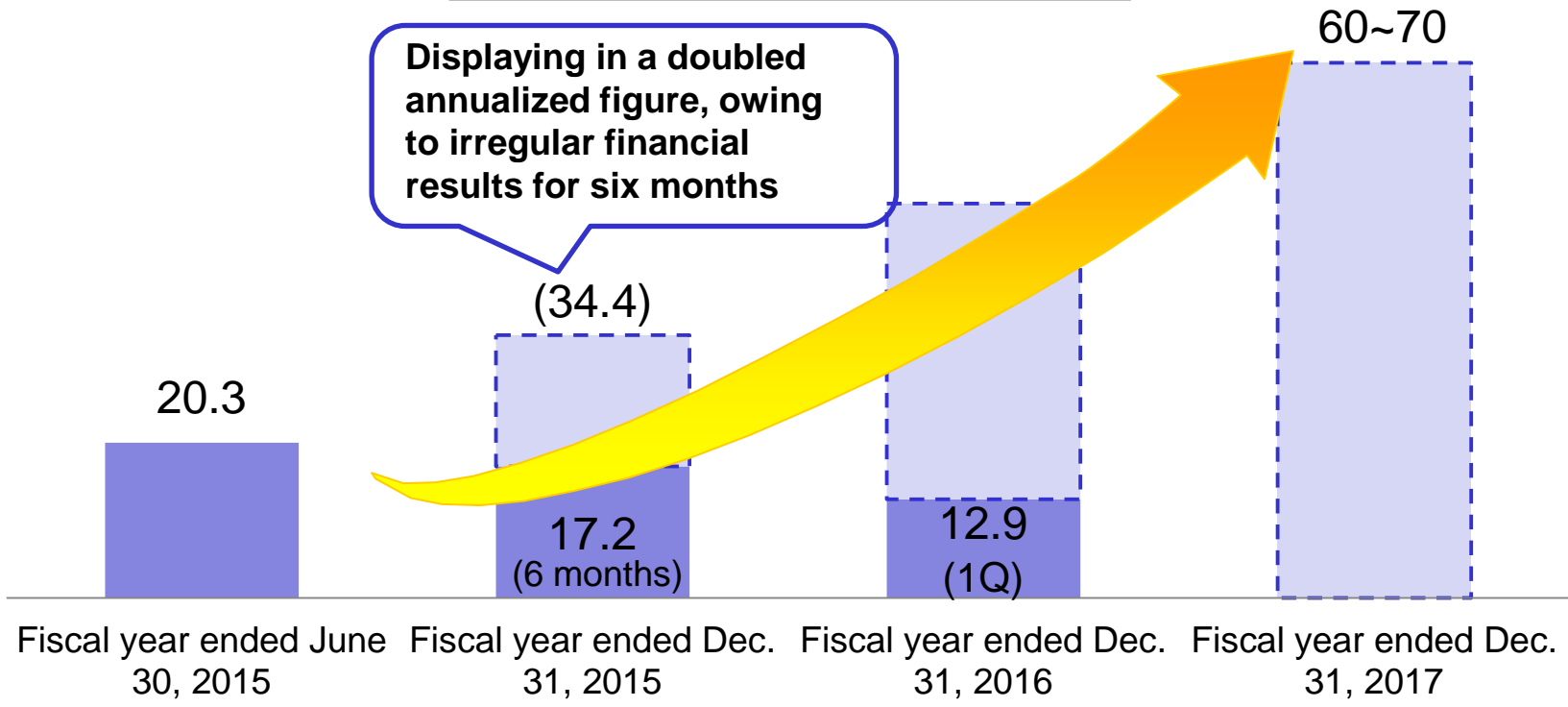
*2 Irregular accounting for 6 months, owing to a change in terms for the fiscal year ended Dec. 2015, because of an amendment to the law

Eliminating the Bad Debt that was Carried before Becoming a Subsidiary During this Fiscal Year

Trend of profit for the period and forecast based on K-GAAP

(KRW billion)

Displaying in a doubled annualized figure, owing to irregular financial results for six months



- ④ In the Biotechnology-related Business, entering a full-scale growth stage through steady progress and strategic moves, toward the further expansion of the business and the development of the pipeline**
- i. SBI Biotech and its subsidiary Quark Pharmaceuticals (“Quark”) further enhanced their pipeline by initiating three clinical trials, including ones in Phase III, and are steadily establishing a framework in preparation for an IPO
 - ii. SBI Pharmaceuticals has obtained additional patents in a variety of fields and secured domains for development well into the future. Integration of R&D with photonamic, which became part of the SBI Group in Jan. 2016, has diversified new drug development and greatly expanded promising development domains. Also, since photonamic already sells pharmaceuticals in more than 25 countries in Europe and other regions through sales partners, sales channels have been expanded globally
 - iii. SBI ALApromo launched “ALA Plus Tou (Sugar) Down,” a food with function claims, in Dec. 2015. The number of stores handling the product has risen sharply, and after the launch, fourth-quarter sales rose approx. 3.6-fold year-on-year

**i . SBI Biotech
(Wholly-owned subsidiary : Quark)**

Progress of Principal Pipeline Drugs

	Licensing partner	Adaptation disease	Progress	
QPI-1002	Novartis International AG	Kidney Transplantation (DGF)	Phase III (Beginning of dosage)	Initiated clinical trials at 75 institutions, mainly in the U.S., as well as in Canada, Germany, Brazil and other countries.
		Acute kidney injury (AKI)	Phase II (Beginning of dosage)	Initiated clinical trials at 40 institutions, mainly in the U.S. and Germany.
QPI-1007	Biocon Ltd (India's Major Pharmaceutical Company)	Non-arteritic anterior ischemic optic neuropathy (NAION)	Phase II / III (Beginning of dosage)	Initiated clinical trials at 66 institutions, mainly in the U.S. and Europe.
		Acute angle closure glaucoma	Phase II (Completion)	Completion in June 2015 of a small-scale clinical trial (46 patients) conducted in Vietnam and Singapore. Completion of final results report expected around June 2016
PF-655	Pfizer Inc.	Glaucoma	Phase II a	Start of Phase II a protocol finalization
		Diabetic macular edema (DME)	Completed Phase II a (Completion)	Upon the initiation of clinical trials for glaucoma, the launch of a revised development plan will be expected
Anti-ILT7 antibody	MedImmune, LLC. (Subsidiary of AstraZeneca)	Autoimmune diseases	Pre-clinical (Completion)	MedImmune will initiate Phase I clinical trial during the third quarter of 2016
GNKS356	Independently	Psoriasis / Systemic Lupus Erythematosus (SLE)	Pre-clinical	Selected as Japan Agency for Medical Research and Development's (AMED) pre-designation review as an orphan drug commercialization candidate for their project promoting support for drug discovery (from FY2015 to FY2017) *Maximum subsidy: JPY 200m per fiscal year

About Quark, a Wholly-owned Subsidiary of SBI Biotech

Since Quark has two products at the Phase III stage in its drug discovery pipeline, it has satisfied the conditions for a public offering on the NASDAQ market

Products at the Phase III stage in its drug discovery pipeline:

- QPI-1002: Kidney Transplantation (DGF) (Licensing partner: Novartis International AG)

The largest ever Phase II study (326 subjects) conducted by Quark.

Quark has received Orphan Drug status by the FDA and the EMA for this indication.

- QPI-1007: Non-arteritic anterior ischemic optic neuropathy (NAION) (Licensing partner: Biocon Ltd of India)

Quark received Orphan Drug status from the FDA on this indication. It is the first time that an siRNA molecule was approved by the Indian (DCGI) and Chinese (CFDA) health authorities to be used in humans in clinical studies



SBI Biotech began discussions with several securities firms in preparation for an IPO on the U.S. NASDAQ market of its subsidiary Quark.

**ii . SBI Pharmaceuticals
(Pharmaceutical department
in 5-ALA business)**

(ii) SBI Pharmaceuticals (Granted patents):**Patents Held by SBI Pharmaceuticals in Japan (Total of 32 Patents) - (i)**

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

(ii) SBI Pharmaceuticals (Granted patents):

Patents Held by SBI Pharmaceuticals in Japan (Total of 32 Patents) - (ii)

The name of the invention	Registration date	Co-applicants
Cancer prophylactic and/or improving agent whose active ingredient is 5-aminolevulinic acid or a derivative thereof or a salt thereof	Sept. 12, 2014	Single application
Alaremycin derivative	Nov. 14, 2014	Tokyo Institute of Technology
Adult disease prophylactic and/or improving agent whose active ingredient is 5-aminolevulinic acid or a derivative thereof, or a salt thereof	Dec. 19, 2014	Single application
Antimalarial drug whose active ingredient is alaremycin or a derivative thereof	Dec. 26, 2014	Tokyo Institute of Technology
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
Tumor diagnostic agent	Nov. 13, 2015	Single application
Photodynamic therapy or diagnostic agent, using infrared-spectrum light	Dec. 18, 2015	Tokyo Institute of Technology
An agent for treating and preventing cancer anemia	Feb. 12, 2016	Single application
An agent for the treatment and prevention of chronic kidney disease	Feb. 12, 2016	Single application
Photodynamic diagnosis agent and photobleaching-prevention agent	Feb. 12, 2016	Tokyo Institute of Technology
Photodynamic therapy using a photosensitizer or 5-ALAs	Feb. 19, 2016	Single application
Device to identify cancer metastasis in the sentinel lymph node	Feb. 26, 2016	Single application
Immune tolerance inducer	Mar. 25, 2016	National Center For Child Health And Development

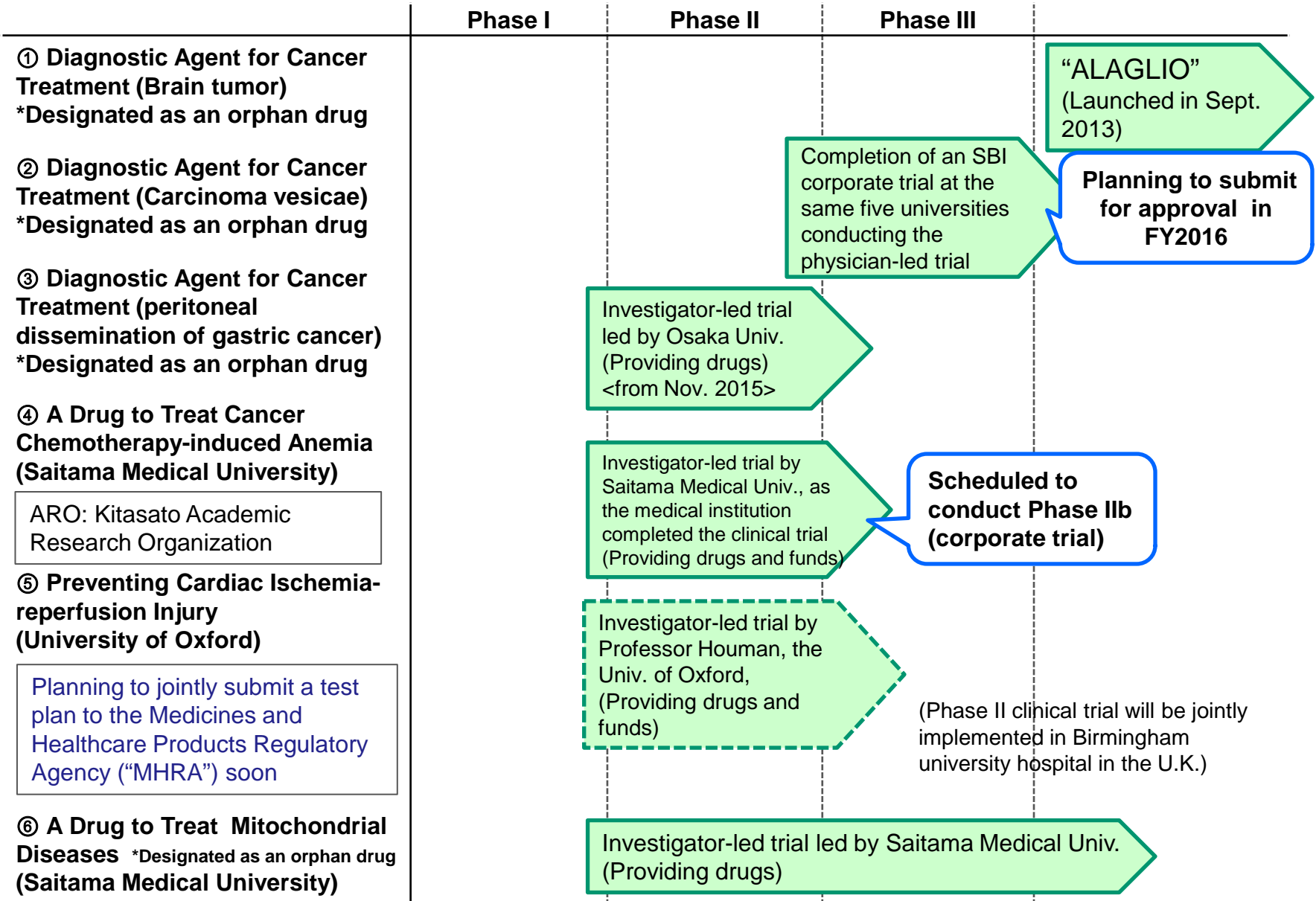
SBI Pharmaceuticals Acquires Several Patents Overseas

SBI Pharmaceuticals has already obtained 32 patents in Japan and is gradually obtaining patents overseas as well. Among the patents obtained in Japan, 12 patents has been obtained overseas so far

	The name of the invention (Co-applicants)	International registration (countries)
1	Composition for peeling (Single application)	German, U.K. and other 2 countries
2	External preparation for the skin (Single application)	China, Korea and other 11 countries
3	Health function improver (Cosmo Oil)	U.S., China and other 11 countries
4	Tumor diagnostic agent (Single application)	China, Korea and other 2 countries
5	Mitochondrial damage brain disorder treatment and diagnostic agent (Single application)	U.S., China and other 5 countries
6	Bladder cancer detection method (Kochi University)	U.S.
7	Male infertility treatment (Single application)	U.S., China and other 7 countries
8	Cancer thermotherapy action enhancer (Tokyo University of Agriculture)	U.S., U.K. and other 4 countries
9	Antimalarial drug whose active ingredient is 5-aminolevulinic acid or a derivative thereof (The University of Tokyo)	U.S., Canada and other 2 countries
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)	U.S. and Korea
11	Urothelial cancer detection method (Kochi University)	German and other 2 countries
12	Antimalarial drug whose active ingredient is alaremycin or a derivative thereof	U.S. and U.K.

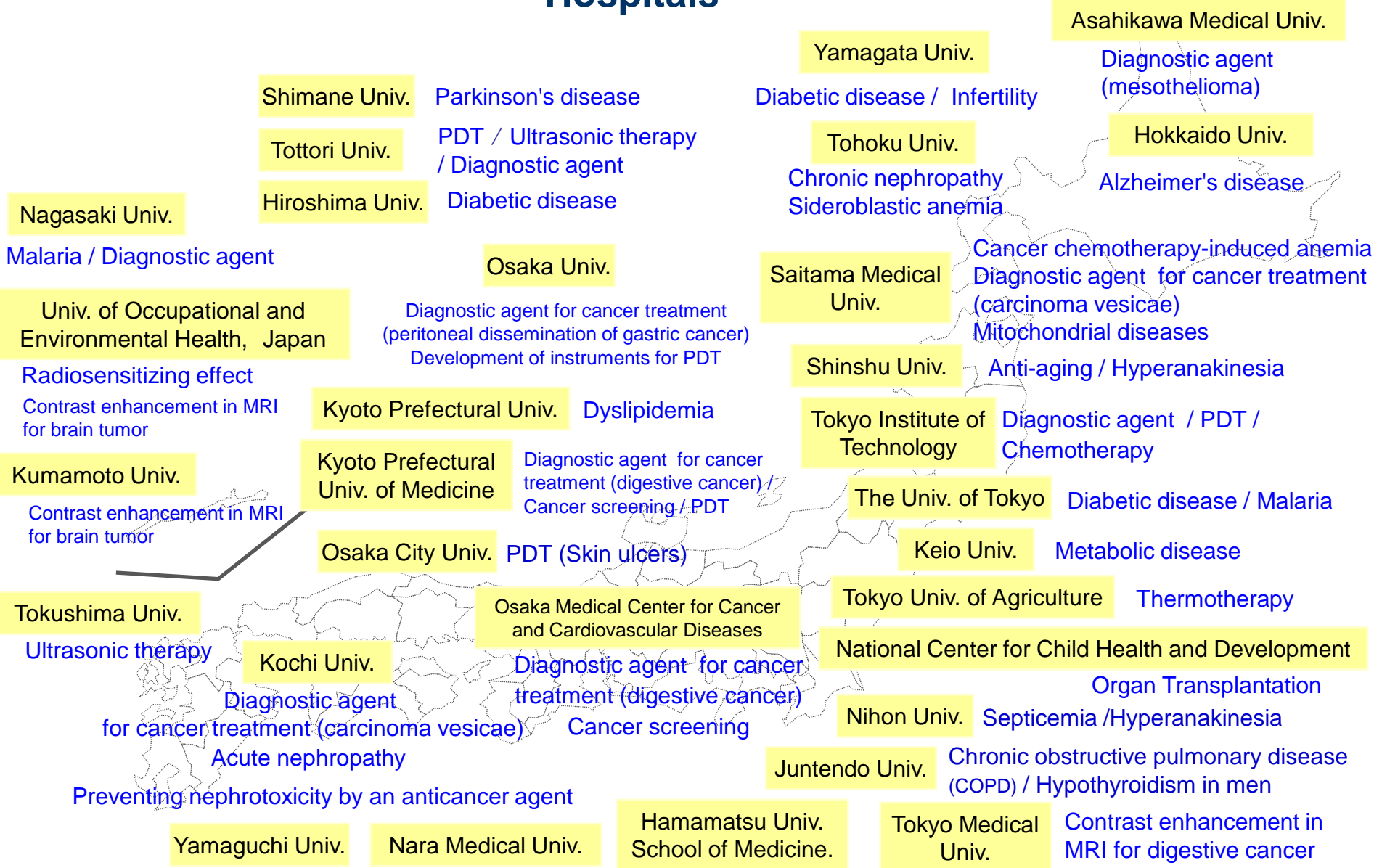
(ii) SBI Pharmaceuticals (Drug pipeline):

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



(ii) SBI Pharmaceuticals (Research fields):

Research Using 5-ALA is Advancing at over 70 Universities and Hospitals



The 6th 5-ALA and Porphyrin Research Society

(Held April 22-23, 2016, at the Institute of Medical Science, the Univ. of Tokyo)

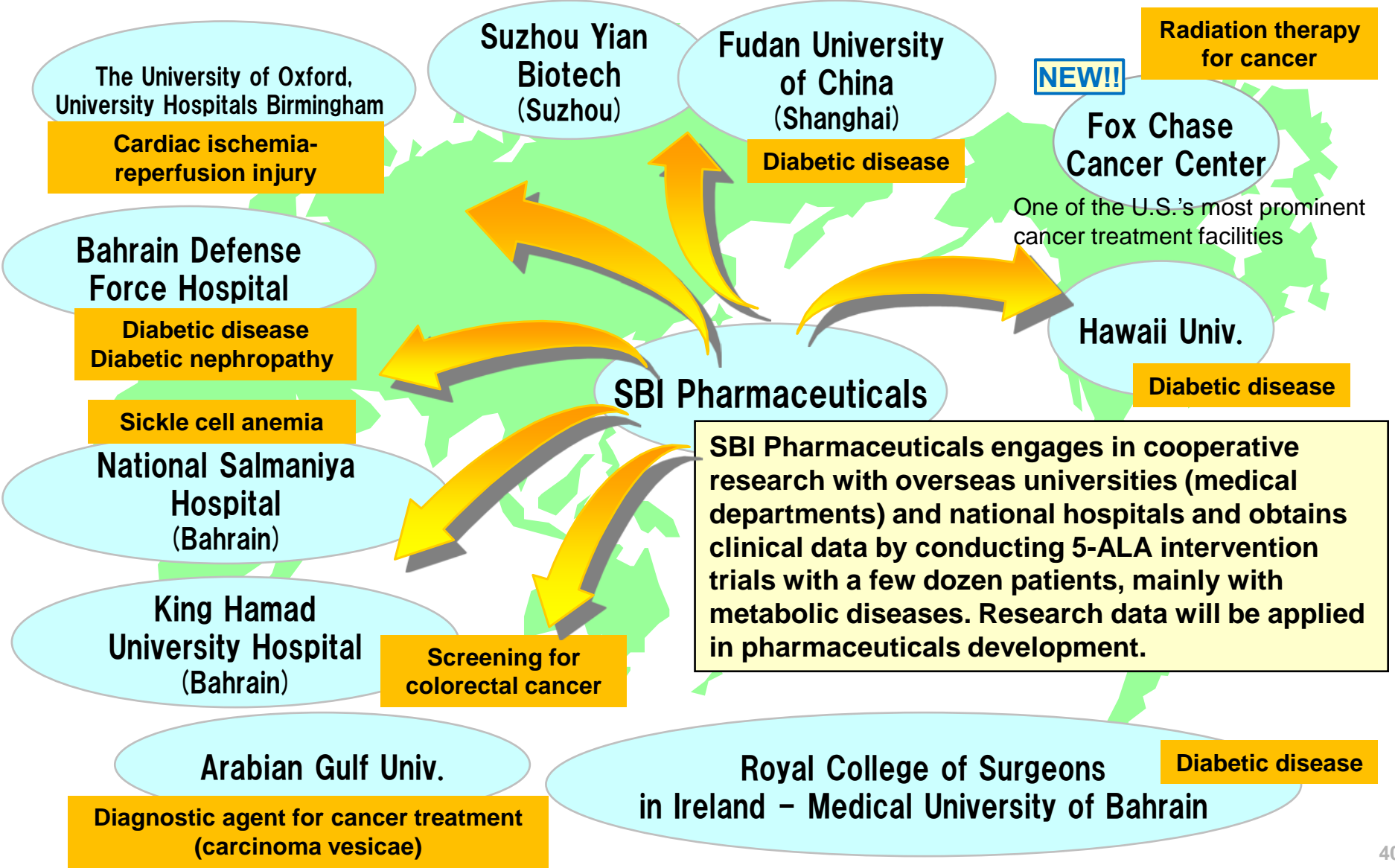
-In collaboration with the Dept of Urology, Photodynamic Therapy Study Group-

5-ALA researchers from the fields of medicine, engineering, pharmacy, chemistry, biology, and agronomy gathered from far and wide for the conference, which each year hosts more than 100 participants

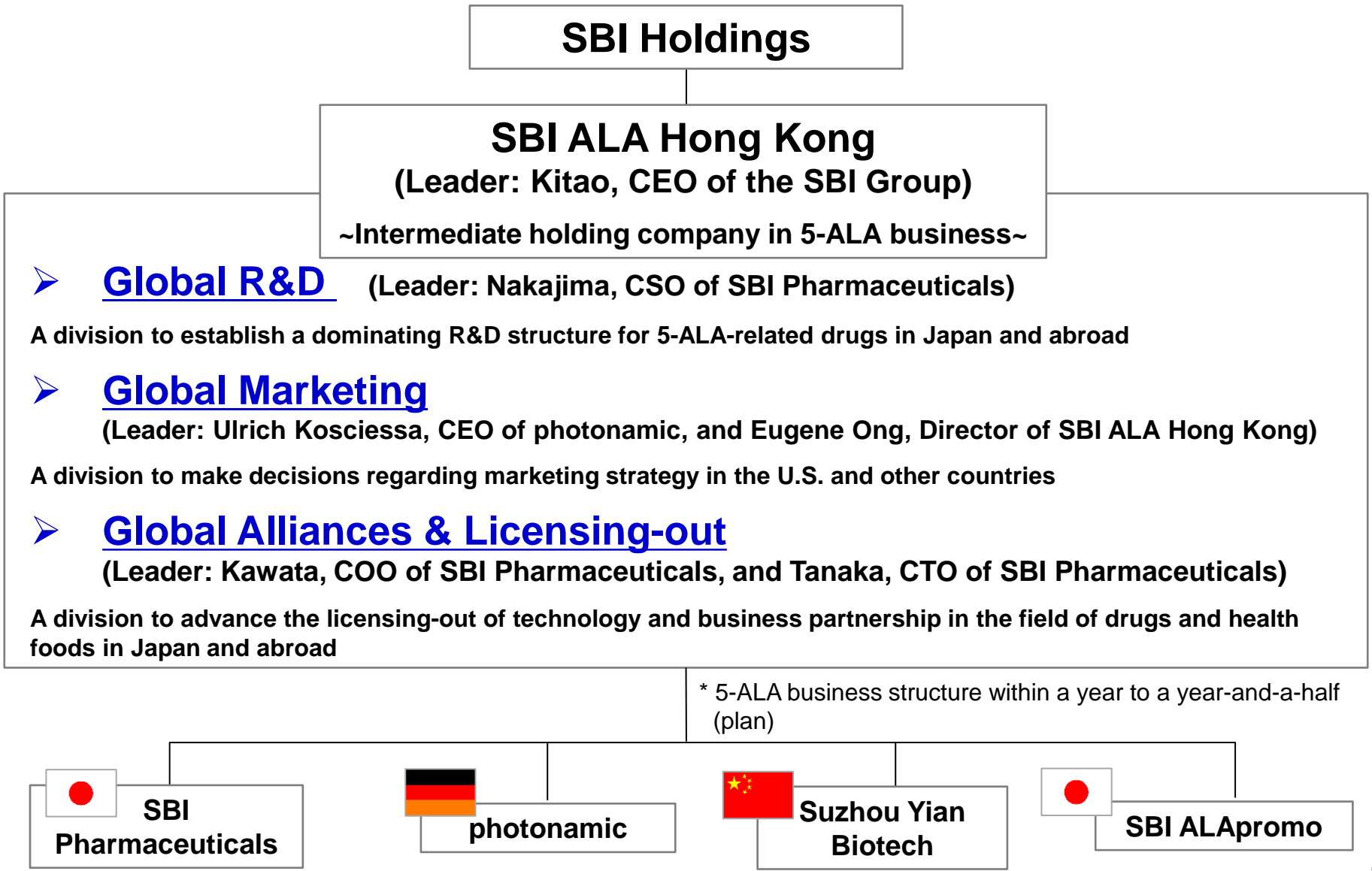
Presentation contents (in part) :

- “Prospects for Photodynamic Diagnosis and Therapy in Urology,” Dr. Hirao (Dept. of Urology, Nara Medical Univ.)
- “5-ALA-PDD in Urology,” Dr. Fukuhara (Medical School, Kochi Univ.)
- “Effect of Combined Treatment of 5-Aminolevulinic Acid and Irradiation on Late-Onset Production of Reactive Oxygen Species in Malignant Glioma Cells,” Dr. Yamamoto (Univ. of Occupational and Environmental Health, Japan)
- “5-Aminolevulinic Acid as a Novel Anti-Malaria Drug,” Dr. Kita (Univ. of Tokyo, Nagasaki Univ.)
- “Application of 5-ALA for Veterinary Medication and Sonodynamic Therapy,” Dr. Ohsaki (Tottori Univ.)
- “Potential of 5-ALA as a MRI-biomarker,” Dr. Yoneda (Kumamoto Univ.)
- “Enhancement of Antitumor Efficacy of Hyperthermia by Combination with 5-ALA,” Mr. Takahashi (SBI Pharmaceuticals)

Expanding Co-Researchers and Business Partners in the World





With the Inclusion of photonamic into the SBI Group, an Upgrading of the 5-ALA Business Structure



Global Expansion Acceleration through the Integration of the Research System

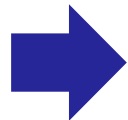
Reinforcement of the R&D foundation through collaboration between SBI Pharmaceuticals (Japan) and photonamic (Germany) to expand both companies' pipelines as rapidly as possible

Company name Developing drugs	 photonamic	 SBI Pharmaceuticals
Drug for treating actinic keratosis	Received approval to sell it in Europe in 2009, as well as recently in Australia, under the name of "Alacare"	<div data-bbox="1323 628 1825 828" style="border: 1px solid blue; padding: 5px;"> Promote the use in Japan within the framework of the advanced medical care system. </div>
Diagnostic agent for carcinoma vesicae	Approved by the European Medicines Agency (EMA) in 2007 <div data-bbox="685 1021 1226 1142" style="border: 1px solid blue; padding: 5px;"> An expand indication for carcinoma vesicae </div>	Completed an SBI corporate trial at the Phase III stage in Japan <div data-bbox="1246 1035 1526 1142" style="border: 1px solid blue; padding: 5px;"> ← </div>
Photodynamic therapy (PDT) for brain tumors	<div data-bbox="685 1185 1796 1356" style="border: 1px solid blue; padding: 5px;"> SBI Pharmaceuticals and photonamic are planning a clinical trial at Osaka Univ. and LMU Munich and Osaka Medical and Pharmaceutical Univ. </div>	

Strengthening the Overseas Pharmaceutical Sales Structure through the Establishment of a Global Marketing Division

Global sales of photonamic's pharmaceutical products:

- **Diagnostic agent for brain tumors**: Approved by the European Medicines Agency (EMA) in 2007. Today, under the name of “Gliolan,” it is sold **in over 25 countries in Europe**, including Germany and the U.K., with medac serving as photonamic's sales partner



Preparation for submission of an application for production and marketing approval in the U.S.



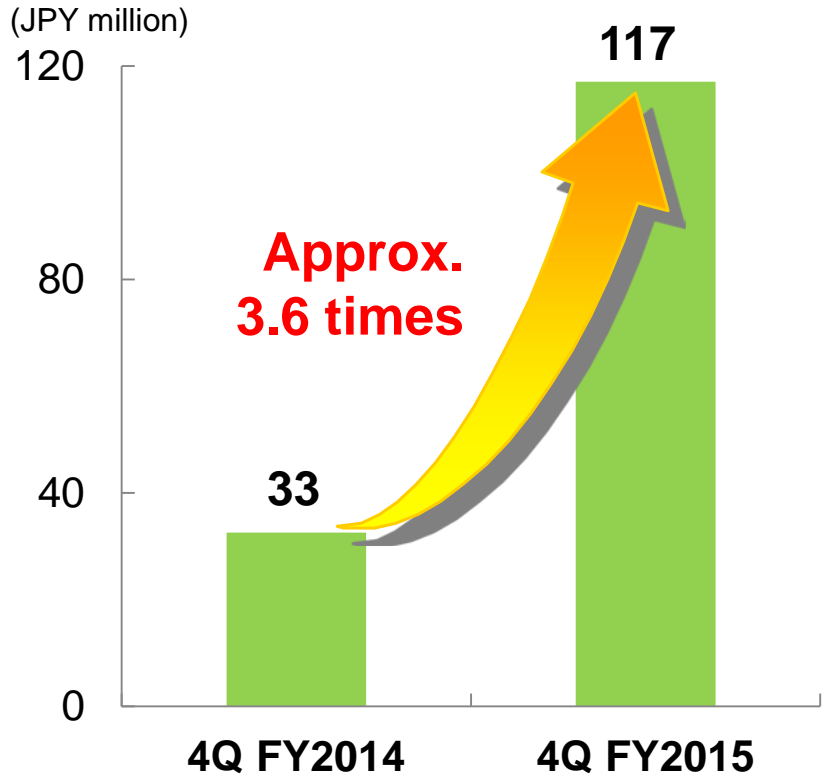
- SBI Pharmaceuticals has also been selling a similar product **in Japan** under the product name of “ALAGLIO” since 2013. (Phase III initiated in June 2010, and launched in Sept. 2013)
- **Drug for treating actinic keratosis “Alacare”**: Received sales approval **in Europe** in 2009, as well as recently **in Australia**

**iii . SBI ALA promo
(Domestic marketing department
in 5-ALA business)**

Sales of “ALA Plus Tou (Sugar) Down,” a Food with Function Claims Containing 5-ALA, Rapidly Expanded upon Launch

Of the 8,575 consulting pharmacies and drugstores that offer SBI ALApromo products, there already are 6,899 stores that offer “ALA Plus Tou (Sugar) Down” (As of the end of Mar. 2016)
→The number of stores that offer “ALA Plus Tou (Sugar) Down” expanded to 7,822 stores (As of April 27, 2016)

Quarterly sales of SBI ALApromo



“ALA Plus Tou (Sugar) Down” (from Dec. 18, 2015)



Supports the normalization of high levels of fasting blood glucose levels, and the moderation of the elevation of postprandial glucose levels

New TV commercials featuring Hiromi Go were started from Feb. 23!!



The appearance of “Tou (Sugar) Down” ver.

(3) FY2015 shareholder returns implemented upon positive financial returns

FY2015 Shareholder Return ①

~Announced upward revision in annual year-end dividend for FY2015~
(on Apr. 28, 2016)

Increased the year-end dividend to JPY 35 per share from the previous forecast of JPY 25 per share for FY2015. As a result, full-year dividend will be JPY 45 per share, including an interim dividend of JPY 10.

[Dividend per share]

	End of 2Q	Year-end	Full-year
FY2015	JPY 10 (Ordinary dividend: 10)	<u>JPY 35</u> (Ordinary dividend: 35)	<u>JPY 45</u> (Ordinary dividend: 45)
FY2014	—	JPY 35 (Ordinary dividend: 30) (Commemorative dividend: 5)	JPY 35 (Ordinary dividend: 30) (Commemorative dividend: 5)
FY2013	—	JPY 20 (Ordinary dividend: 20)	JPY 20 (Ordinary dividend: 20)

FY2015 Shareholder Return ②

~Conducted repurchase of SBIH shares~

[Details of SBIH share repurchase]

- Number of repurchased shares: **4,446,300 shares**
*1.98% of total issued shares outstanding
- Total cost of share repurchase: **JPY 4,999,943,800**
- Period for share repurchase:
From Feb. 26, 2016 to Mar. 17, 2016 (based on commitment)

Total shareholder return amount, which is calculated by the sum of the dividend payouts and the share repurchase costs, will be approx. JPY 14.4bn, for a total shareholder return ratio of 42.2%, and continuous efforts will be made to maintain a total shareholder return ratio of about 40%

FY2015 Shareholder Return ③

~Conducts Shareholder Benefits~

[Details of shareholder benefits]

*Shareholders listed or recorded in the shareholder register as of Mar. 31, 2016 are eligible.

<p>Details</p> <p>Qualified shareholders</p>	 <p>ALAPlus (priced at JPY 2,980 (incl. tax))</p>	 <p>ALAPlus GOLD (priced at JPY 9,800 (incl. tax))</p>	 <p>ALAPlus Essential Lotion (priced at JPY 8,400 (incl. tax))</p>
<p>Shareholders who have <u>held shares for more than 1 year</u> and who hold <u>1,000 (10 units) or more shares</u> as of Mar. 31, 2016</p>	<p><u>2 packs</u></p>	<p><u>2 packs</u></p>	<p><u>1 pack</u></p>
<p>For shareholders other than the above, those who hold <u>100 shares (1 unit) or more</u>, as of Mar. 31, 2016</p>	<p><u>2 packs</u></p>	<p>—</p>	<p>—</p>

* In addition, **all shareholders, including those who hold less than 1 unit (1–99 shares), will receive 1 discount coupon for a preferential discount of 50%** from the regular prices of all SBI ALApromo dietary supplements and cosmetics.

2. The SBI Group, having entered into a new rapid growth period, will endeavor to continue to sustain its high growth by proactively utilizing new technologies, along with enhancing its products and services

- (1) As new technology development in fields such as FinTech, IoT, AI, and big data accelerates, the Group will promptly utilize these new technologies in its financial services businesses to boost competitiveness, and as a basis of differentiation from competitors**
- (2) Among the major financial services companies, in order to sustain their growth going forward, promoting various measures to further transition their earnings composition and to increase profitability**
- (3) In the Asset Management Business, promoting various initiatives through the utilization of the existing network, such as the establishment of new funds and the enhancement of asset management services**
- (4) In the 5-ALA-related Business, establishes a production system that meets the increase in orders received, proceeds with the development of new foods with function claims, and undertakes an expansion of the earnings base through the out-licensing of technology and the introduction of pharmaceutical products**

- (1) As new technology development in fields such as FinTech, IoT, AI, and big data accelerates, the Group will promptly utilize these new technologies in its financial services businesses to boost competitiveness, and as a basis of differentiation from competitors**
- ① Established “FinTech Fund” targeting FinTech-related companies, to increase investments**
 - ② The Financial Services Business will adopt FinTech-related new technologies ahead of its competitors to develop new services and improve operational efficiencies to differentiate itself**
 - ③ Through collaborations with investee companies, endeavoring to develop FinTech services originating in Japan that may be globally deployed**
 - ④ Promoting the development of new services by adopting FinTech technologies, to primarily support the financial management of the SMEs**

① Established “FinTech Fund” targeting FinTech-related companies, to increase investments

Established “FinTech Fund” to Invest in FinTech-related Companies in Dec. 2015

FinTech Business Innovation LPS

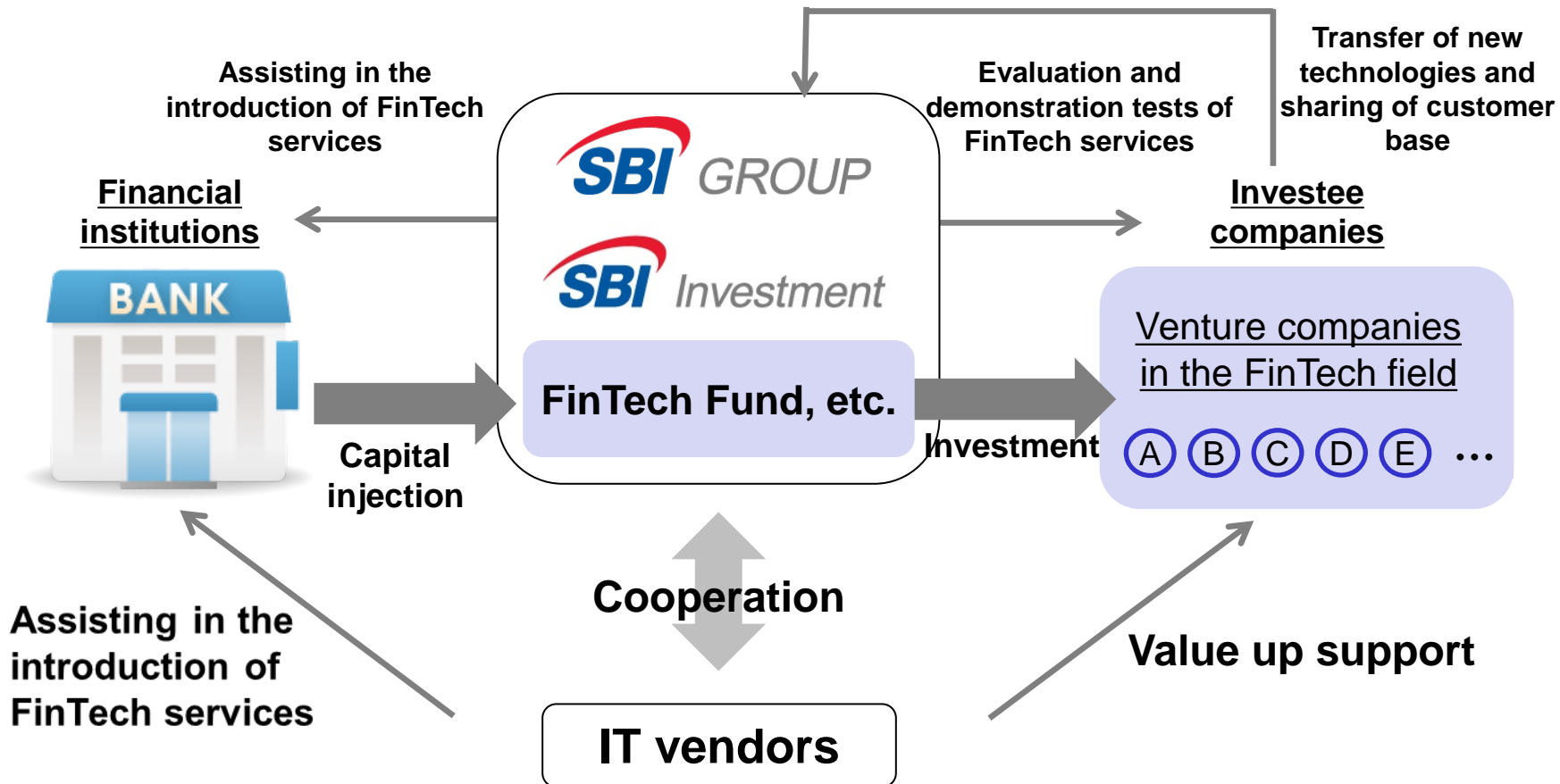
- Total commitment amount is planned to be JPY 30bn
- Fund investor: Financial institutions such as regional banks, credit unions and companies with high affinity for FinTech technology
- Investment destination: Venture companies with superior technology in the FinTech field



- ◆ About 20 of regional banks including the Bank of Yokohama, Ashikaga Bank, San-in Godo Bank and Kiyo Bank have already invested in this fund
- ◆ Going forward, anticipating investing in 100 or more domestic and overseas venture companies
- ◆ The financial institutions that have invested may jointly study the feasibility of the technology and services of the FinTech companies, to consider the reduction of an initial investment, as well as an early adoption

Support System for Financial Institutions Considering the Adoption of FinTech

Within the Internet financial business companies of the SBI Group, implementing test demonstrations of investee companies' services and technologies, to support the adoption of such services by financial institutions



Increasing Investments in the Field of Technological Innovations, such as IoT, Big Data, AI and FinTech, Including Blockchain Technology

Through the FinTech Fund, will continue to aggressively invest into the field of technological innovations

Blockchain technology



Orb, Inc. (Japan)



bitFlyer, Inc. (Japan)



Ripple Labs Inc. (U.S.)



Payward, Inc. (U.S.)

IoT (Internet of Things)



Argus Cyber Security Ltd. (Israel)

Big data



GiXo Ltd.

Payment



infcurion group, Inc. (Japan)



Omise Co., Ltd. (Thailand)

Other FinTech



Money Forward, Inc. (Japan)



free K.K. (Japan)

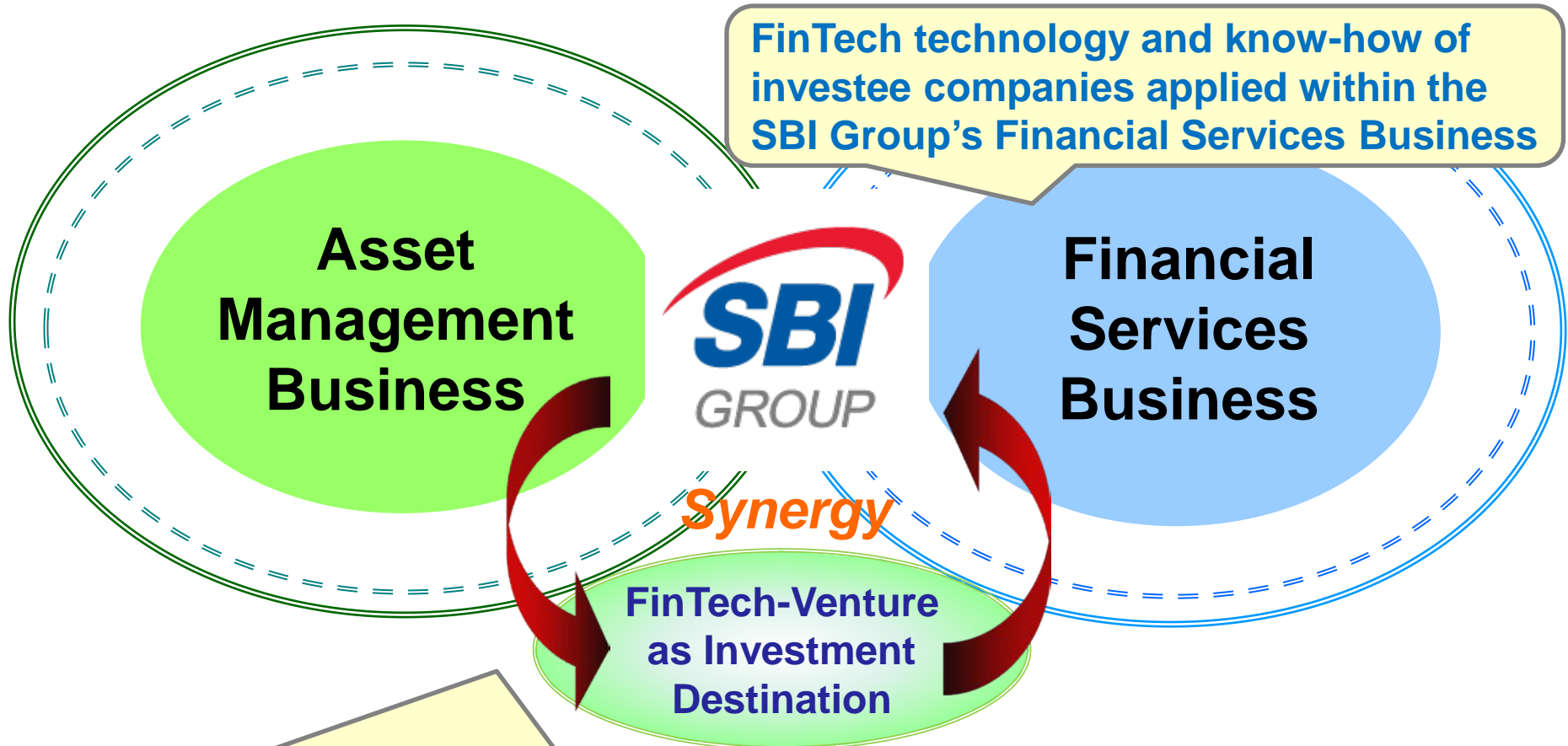


Cacco inc.

Cacco Inc. (Japan)

* Including the company that the SBI Group is currently planning to invest in

Within the Investments into the FinTech Field, Realizing a Virtuous Cycle for the Asset Management Business and the Financial Services Business



By actively utilizing technology, the SBI Group strives to contribute to business expansion for investee companies and, as a result, realizes high performance of operated funds

② The Financial Services Business will adopt FinTech-related new technologies ahead of its competitors to develop new services and improve operational efficiencies to differentiate itself

Participated in R3 CEV's Blockchain Consortium, as the World's First Financial Group whose Main Channel is the Internet

- ◆ This consortium led by U.S. R3CEV currently has the participation of more than 40 of the world's major financial institutions
- ◆ This represents the world's largest working group that is endeavoring towards the optimization of the financial markets, utilizing blockchain technology
- ◆ Currently, proactively incorporating into the operations and validating the technology, along with proceeding with demonstration tests

From Japan, SBI Holdings announced its new participation in the consortium in Mar. 2016, in addition to the 4 major Japanese financial institutions already joining the consortium

Participating Institutions (Excerpt)

Bank of America, Barclays, BBVA, BNP Paribas, Citi, Commerzbank, Credit Suisse, Deutsche Bank, J.P. Morgan, Goldman Sachs, HSBC, Morgan Stanley, Royal Bank of Scotland, UBS, Hana Financial Group*, Itaú Unibanco Holding*
Mitsubishi UFJ Financial Group, Sumitomo Mitsui Banking Corporation, Mizuho Financial Group, Nomura Holdings, SBI Holdings*

* Companies that announced their participation in the R3 consortium, after SBI Holdings' announcement in Mar. 2016

Initiated Measures to Introduce Blockchain Technology in the Securities-related Business



- Participating in the demonstration tests conducted to utilize blockchain technology in the stock market by the Japan Exchange Group, in collaboration with IBM, NRI and others, to offer advice from a securities company point of view



Through the utilization of blockchain, **endeavoring to minimize** the securities transaction process from stock trading to settlement

- For SBI SECURITIES' self-business efficiency and the adoption of blockchain technology for the securities business systems, discussions with major IT vendors and venture companies, as well as a demonstration test is being prepared
- In order to examine the possibility of a shared-use of blockchain technology in the securities business, promoting collaboration efforts with industry participants



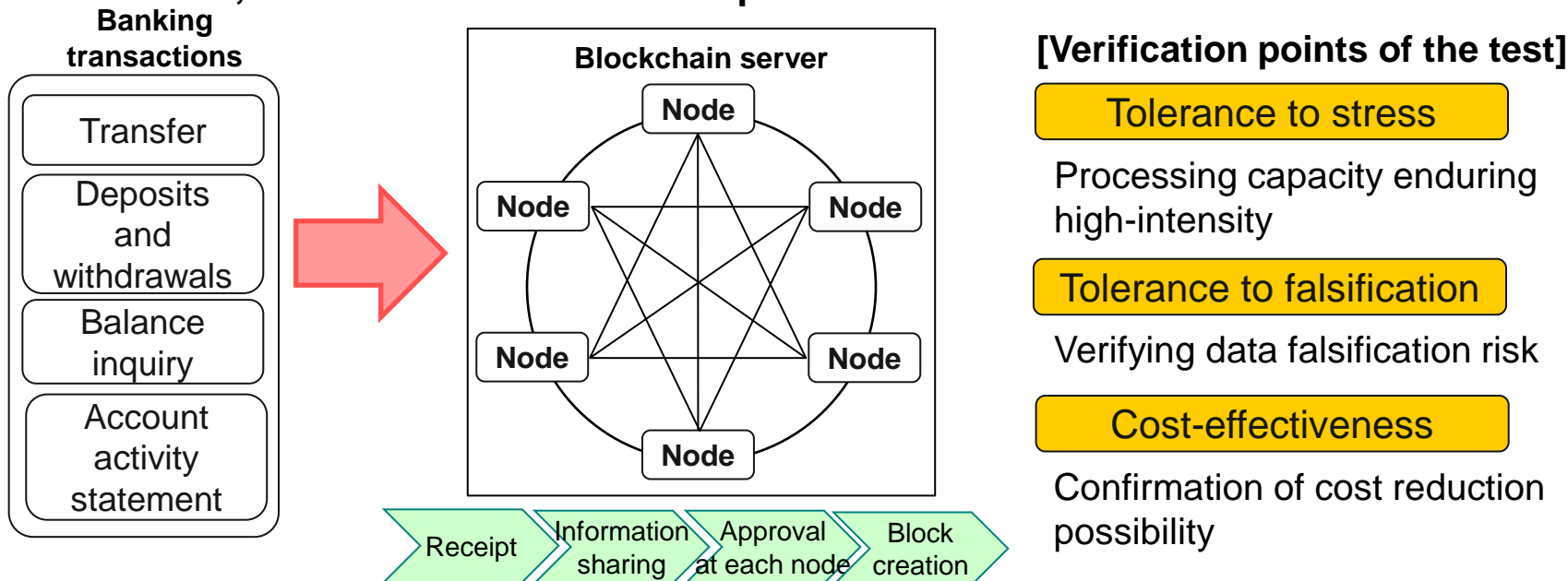
- Progressing in the **possible development of a product** utilizing blockchain technology, toward a possible launch in FY2016

In SBI Sumishin Net Bank, Promoting Efforts to Enhance Operational Efficiency by Utilizing Blockchain Technology

Succeeded in Japan's first blockchain demonstration test for accounting operations

住信SBIネット銀行

Through an alliance with NRI, initiated demonstration tests to examine the possibility of applying blockchain technology to in-house systems, such as bank accounts transactions, bank wire and balance inquires



- The results of the demonstration tests will be utilized for the development of a next generation accounting system
- Will lead to future system cost reductions

Promoting the Utilization of Big Data Analysis Technology, through the Strengthening of the Alliance with the Yello Mobile Group

Reinforcement of credit scoring model

Solidware (an affiliate company of the Yello Financial Group):



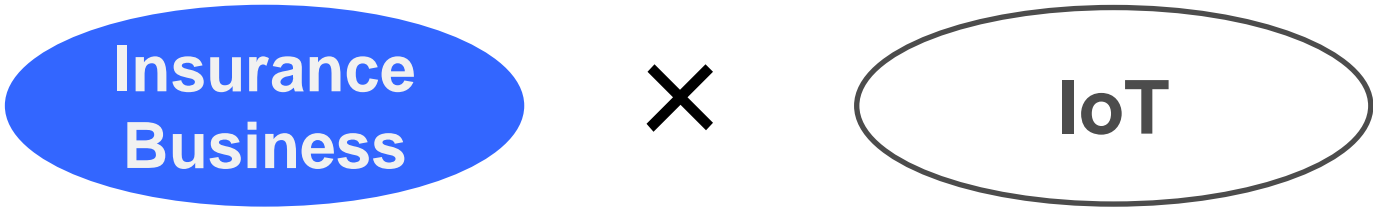
- Established in Aug. 2014, Solidware processes and analyzes financial industry big data using machine learning algorithms and provides customized customer solutions
- It has already implemented a new credit evaluation model development project that applies machine learning algorithms with a Korean savings bank and achieved a default rate decrease of approx. 3%

Solidware's big data analysis technology and experience will be applied to reduce the loan delinquency rate at SBI Savings Bank. The potential for introduction at SBI Sumishin Net Bank in Japan will be explored as well

Strengthening marketing by leveraging Yello Mobile's customer base and digital media

- Strengthening customer contact through a collaboration with Yello Mobile's customer base of approx. 25 million
- Strengthening digital marketing by leveraging smartphone apps such as Pikicast and others, which are mobile content apps experiencing downloads reaching nearly 12 million that the company provides

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



Development of Personalized Insurance Product for Life and Non-life 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

Through the Active Utilization of “Robo Advisor” Technology, Contribute to the Appropriate Asset Formation for Investors



- Several financial institutions that sell investment trusts have already introduced the “robo advisor” investment tool, which advises on appropriate resource allocation and product selection. Moreover, they will also be offered to companies introducing defined contribution pension plans, [from May 2016](#)



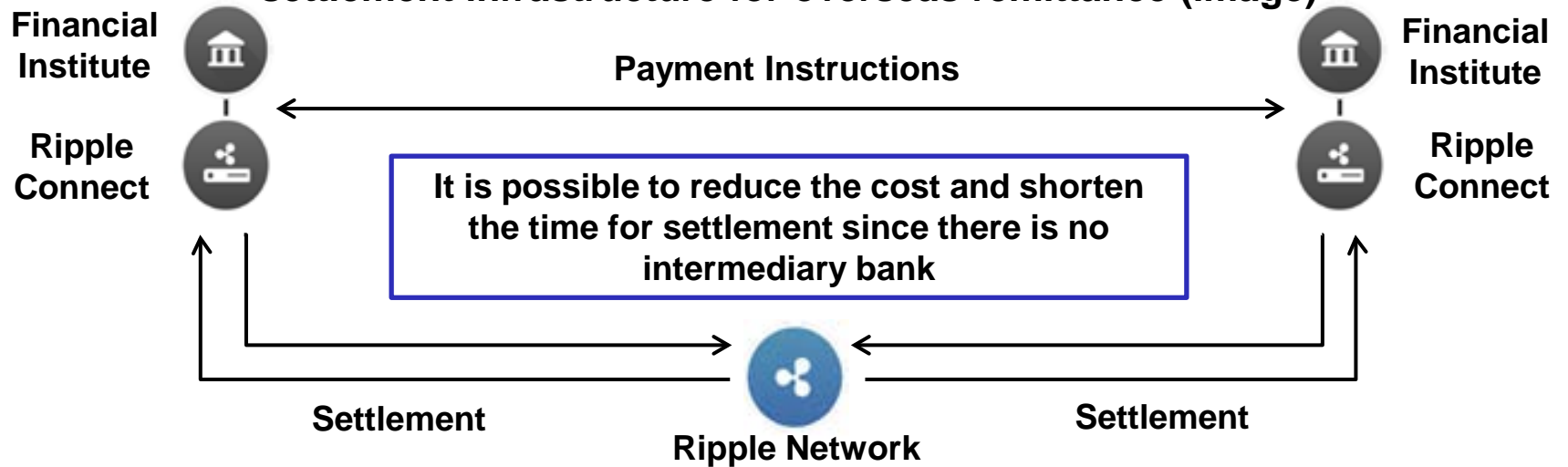
- In cooperation with Quarterback, which is affiliated with the Yello Financial Group and offers robo advisor tools with major Korean financial institutions, the SBI Group is [considering the development of operational tools utilizing the robo advisor for stocks and investment trust management](#)

Establishing SBI Ripple Asia in May, with Ripple Labs, Inc., which is Developing a Next Generation Settlement Platform

Developing a new international remittance system platform based on blockchain technology, in Asia



International remittance system platform utilizing Ripple's settlement infrastructure for overseas remittance (image)

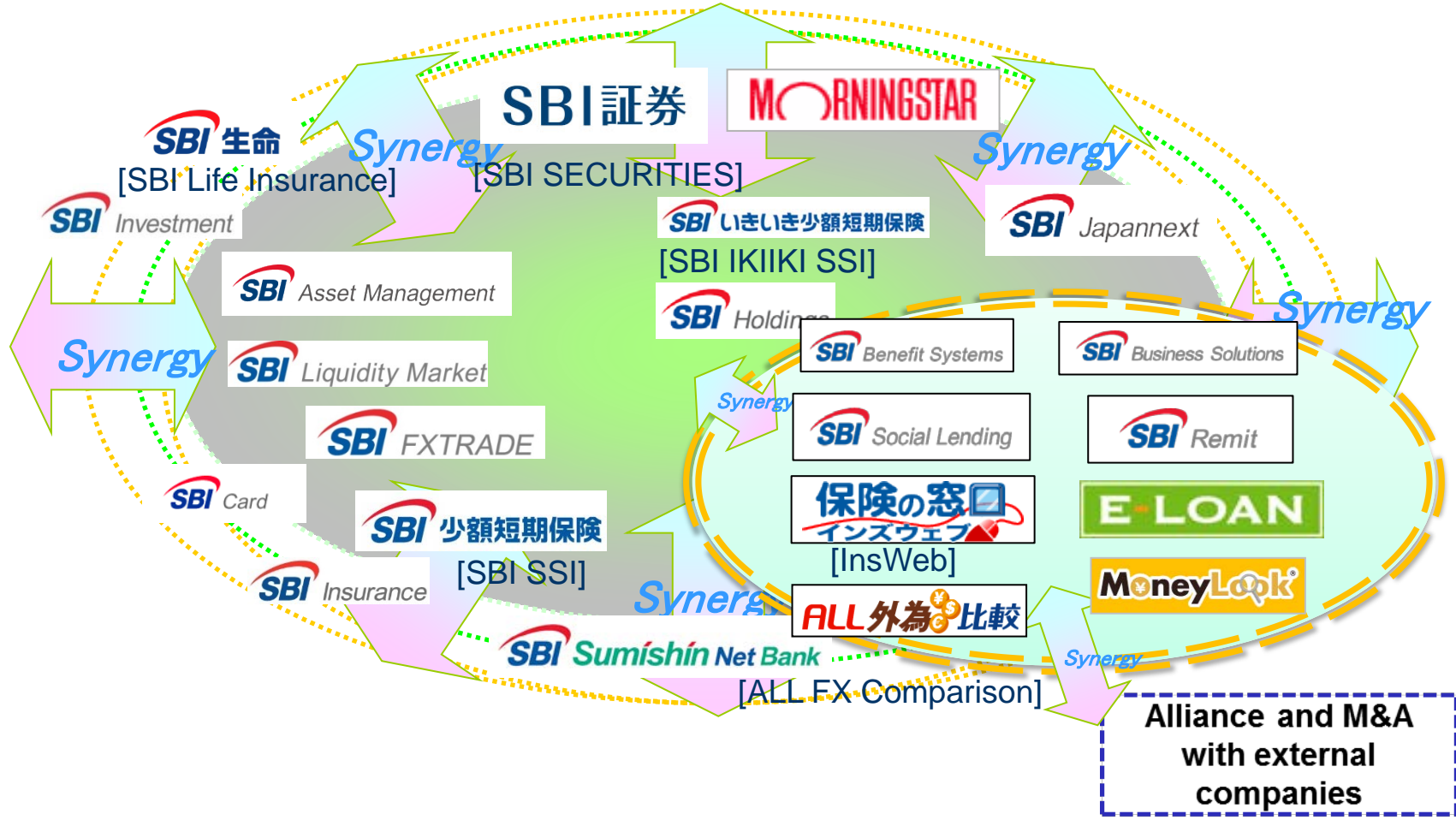


SBI Remit, as the first user (pilot user), is in the process of utilizing Ripple

② Utilizing new technologies related to FinTech: Integration of FinTech companies within the SBI Group

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



Group Companies and Businesses that Compose SBI FinTech Solutions (Tentative Name)

Group companies that can utilize virtual currency and blockchain technology



- Providing international remittance service that can complete remittances in 10 minutes at shortest
- Providing a service that ties borrowers and investors via the Internet
- Providing operation and management service of defined contribution pension plans that uses its own record keeping system developed by SBI Benefit Systems

Group companies providing other FinTech-related service



- Providing cloud service for accounting and settlement of expenses



- Account aggregation software corresponding to over 1,530 financial institutions

Group companies that can utilize big data technology



- Providing searching, comparison and application services for various loan products, from one of Japan's largest loan data bases



- One of the largest insurance marketplaces in Japan that provides services such as quotes on multiple automobile insurance policies at once, and requests informational materials from multiple life insurance companies



- Comparison website of FX trading

③ Through collaborations with investee companies, endeavoring to develop FinTech services originating in Japan that may be globally deployed

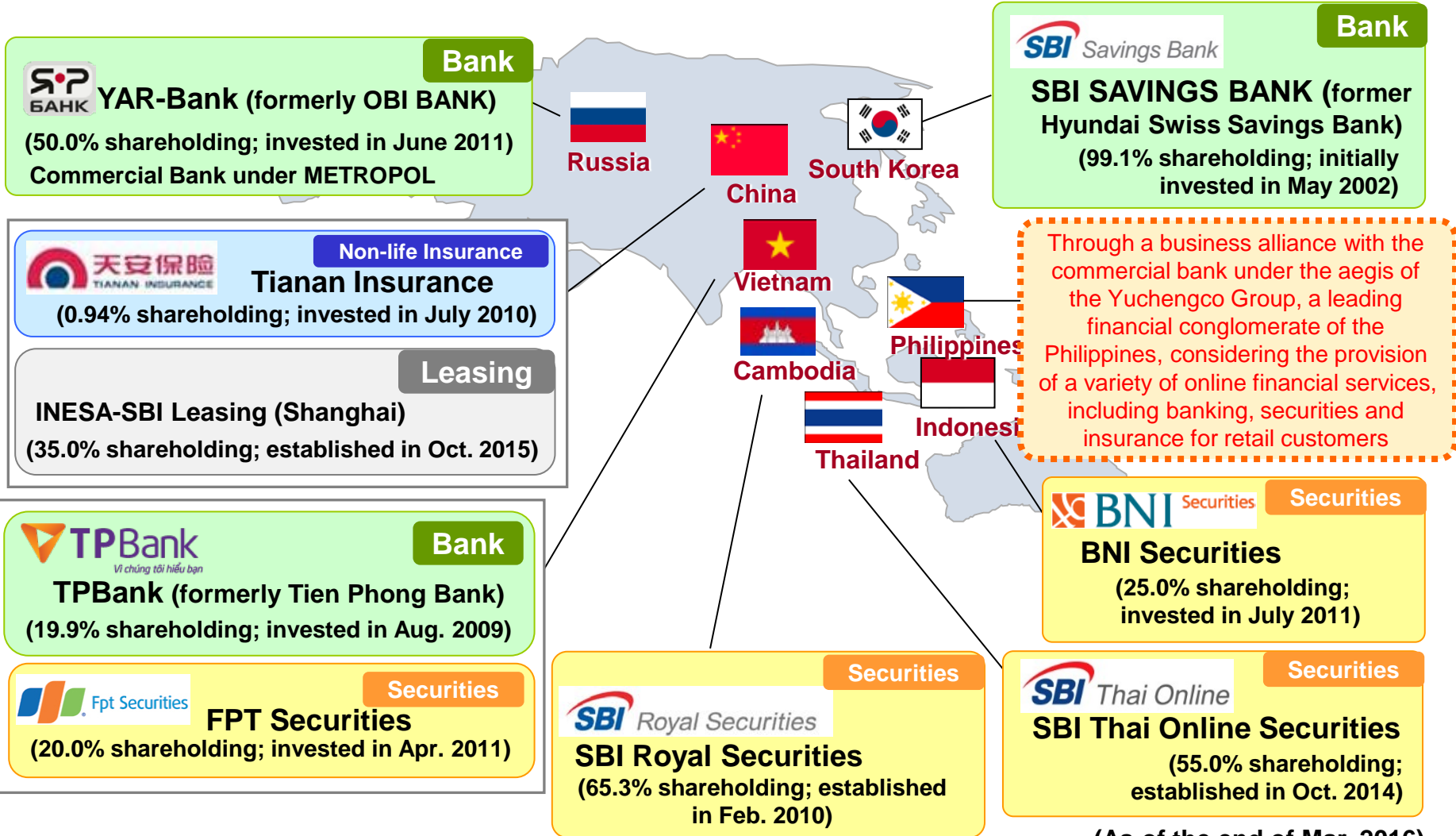
Through the Launch of the SBI FinTech Consortium, will Endeavor to Establish Global FinTech-related Services Developed in Japan

SBI FinTech Consortium's prospective participant companies

The image displays a variety of logos for prospective participant companies in the SBI FinTech Consortium. A central oval highlights the SBI Group entities, including SBI Holdings, SBI Securities, SBI Investment, SBI Liquidity Market, SBI Insurance, SBI Life Insurance, Sumishin Net Bank, and SBI Card. Other logos include Money Forward, free, Cacco inc., ripple, metaps, ceres, infcurion, bitFlyer, orb, CSC, racon, 楽! ラクス, iRidge, Showcase-Tv, GMS, mise, yello, Financial Group, REALWORLD, EAJ, and Goodpatch.

③ Supporting the globalization of Japanese FinTech technology: Supporting the globalization of FinTech companies

With the Cooperation of Prominent Overseas Local Partners, along with the Leveraging of SBI's Established Financial Ecosystem Overseas, Supporting the Globalization of FinTech Technologies and Know-how Developed in Japan (i)



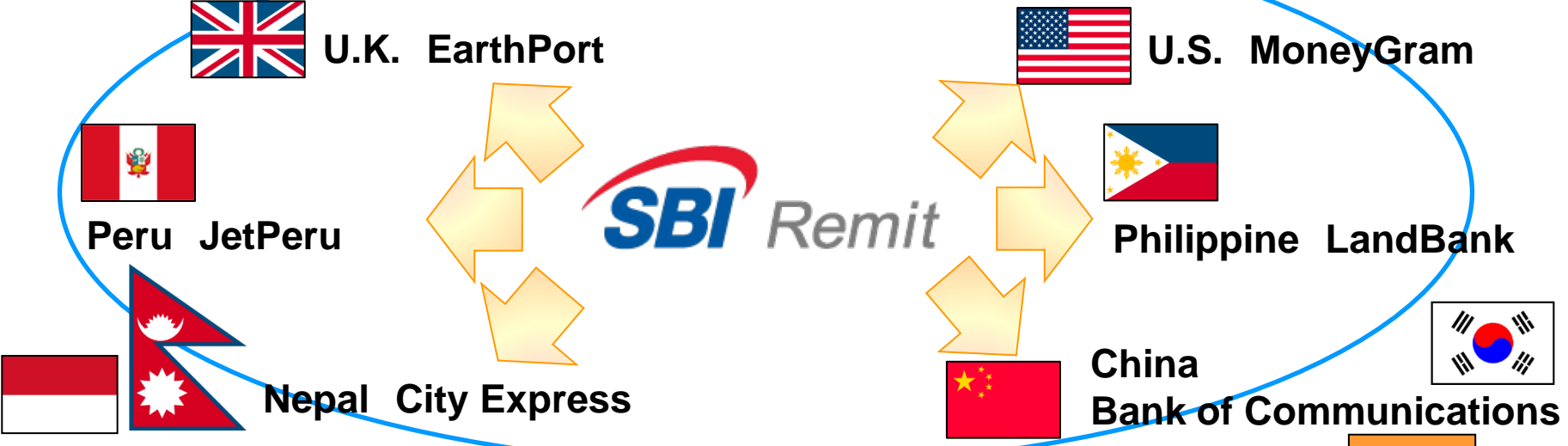
(As of the end of Mar. 2016)

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

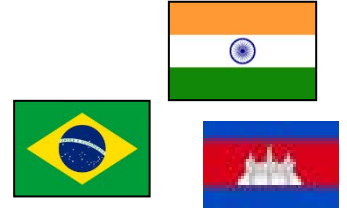
③ Supporting the globalization of Japanese FinTech technology: Supporting the globalization of FinTech companies

With the Cooperation of Prominent Overseas Local Partners, along with the Leveraging of SBI's Established Financial Ecosystem Overseas, Supporting the Globalization of FinTech Technologies and Know-how Developed in Japan (ii)

SBI Remit's partner financial institutions



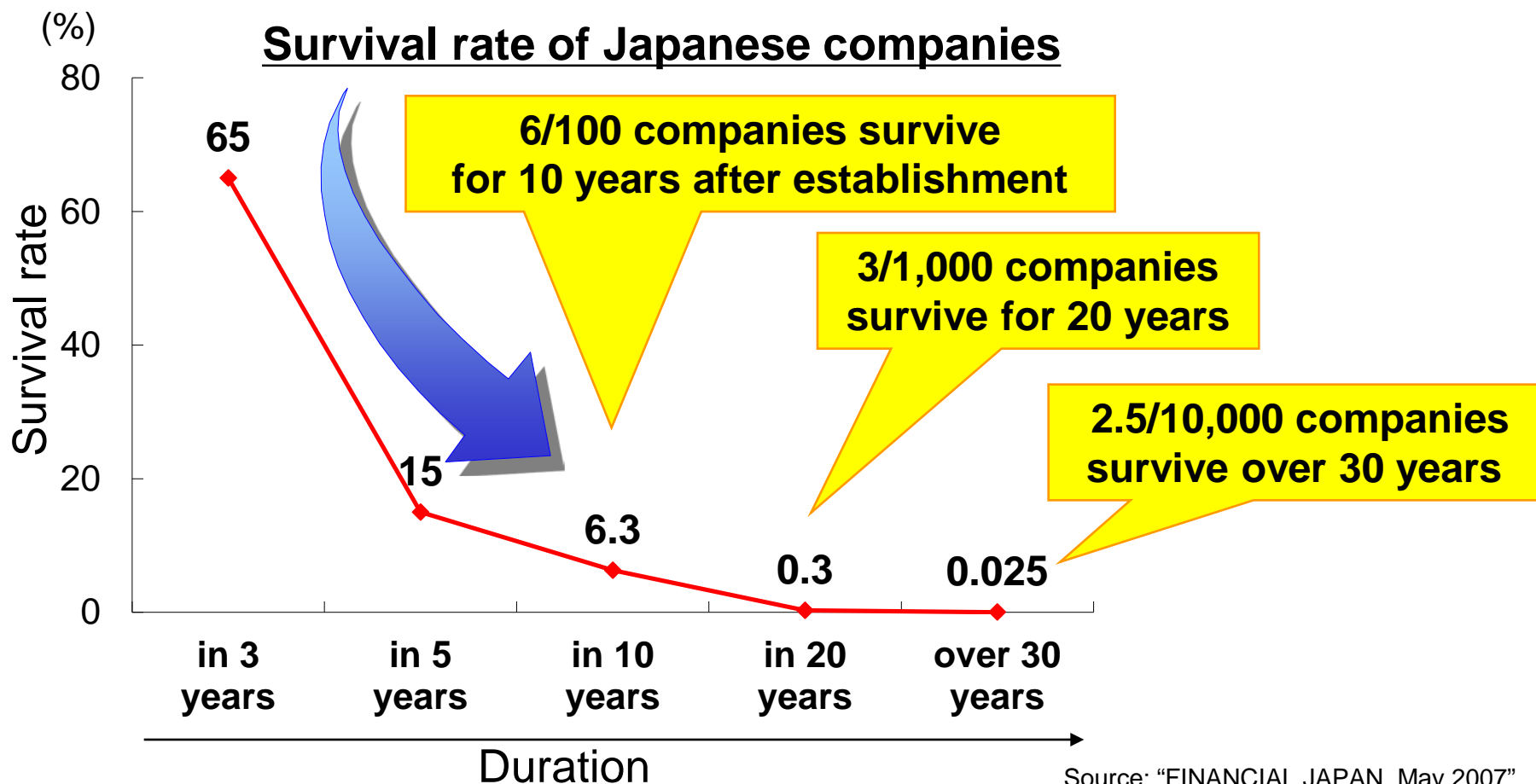
Additionally, endeavoring to further expand the network, by considering alliances with banks in Vietnam, Indonesia, South Korea, Brazil, Cambodia, Myanmar, India and so on



Also supporting the globalization of Japanese FinTech-related companies' know-how, expertise and FinTech services, by leveraging the network of Yello Mobile Group, one of SBI's investee companies, which has the largest smartphone platform in South Korea, and is expanding its business throughout Asia centering on Southeast Asia

④ Promoting the development of new services by adopting FinTech technologies, to primarily support the financial management of the SMEs

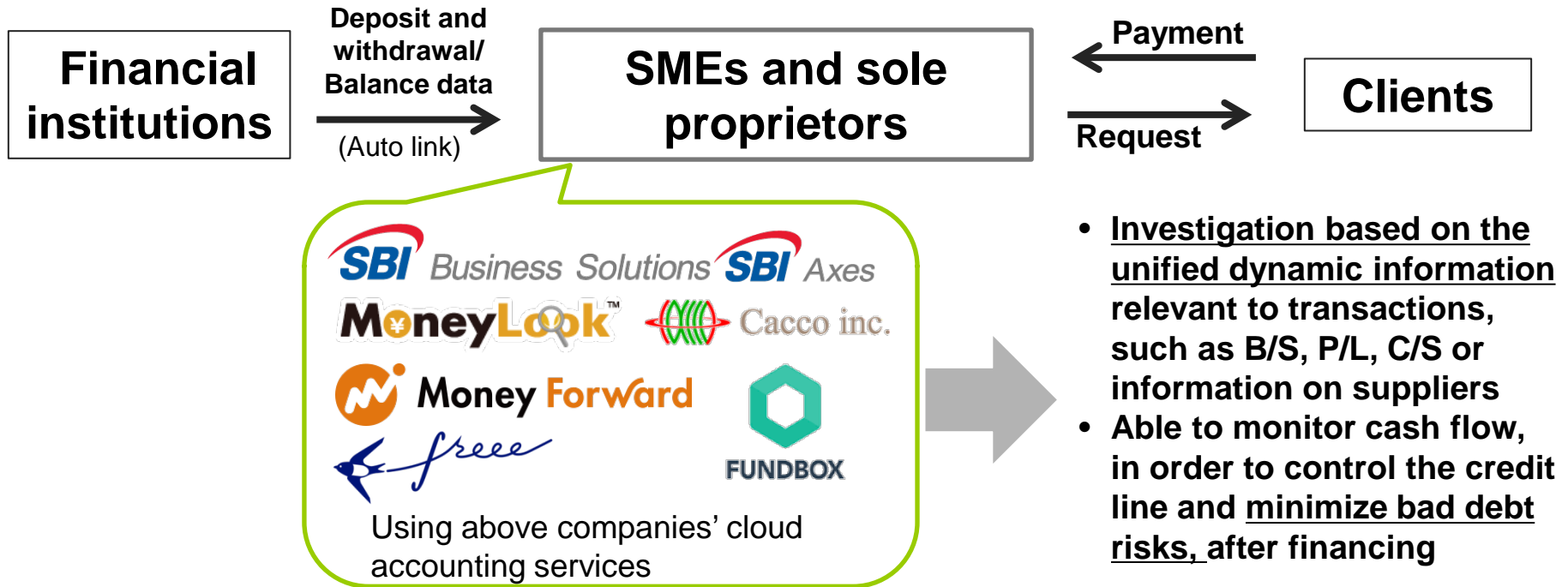
Many SMEs Struggle with Cash Flow, and Numerous Companies Go Bankrupt Soon after being Founded



➔ Demand for new financial services utilizing FinTech and other new technologies at SMEs can be expected

Started the Development of an Accounting Transaction Based Loan Business for SMEs and Sole Proprietors, Utilizing the Cloud Accounting Service Offered by Partner FinTech Companies

Accounting transaction based loan scheme



By advancing the established scheme through the addition of alliance partners, expanding the business as a new earnings source

Considering the development of a new credit line model which incorporates big data analysis and AI, based on user data of partner FinTech companies

(2) Among the major financial services companies, in order to sustain their growth going forward, promoting various measures to further transition their earnings composition and to increase profitability

① The securities-related business, centering on SBI SECURITIES, is promoting its initiatives to expand the corporate business, as well as implementing product diversification efforts and promoting the enhancement of its unique sales channel in the retail business.

Additionally, further system cost reductions and improvements in customer convenience are being enacted

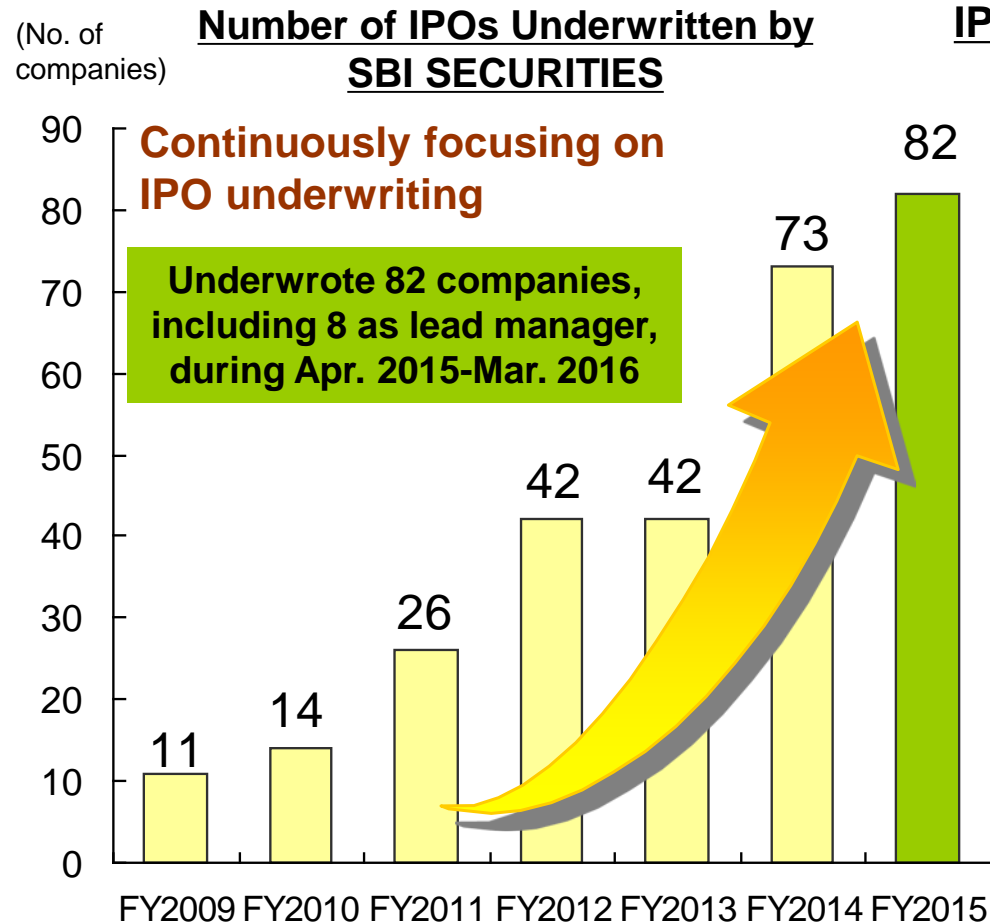
② SBI Sumishin Net Bank is endeavoring to increase profitability by promoting diversification of its earnings sources

③ In the insurance business, develop and sell new products while utilizing group synergies. In addition, enter the reinsurance business to further boost profitability and consider acquiring small-amount, short-term insurance companies

- ① The securities-related business, centering on SBI SECURITIES, is promoting its initiatives to expand the corporate business, as well as implementing product diversification efforts and promoting the enhancement of its unique sales channel in the retail business. Additionally, further system cost reductions and improvements in customer convenience are being enacted**
- i. With the retail business as a base, endeavoring to expand the corporate business through the continued expansion of the equity and bond underwriting businesses, as well as considering the development of a trading operations**
 - ii. Further strengthening the retail business, through the first self-origination of public structured bonds, and the establishment of an IFA (Independent Financial Advisor) business**
 - iii. Reducing system costs through the establishment of a in-house system development company to develop SBI Group's unique online system for internal and external use, to increase profitability**

①- i. Expansion of the corporate business: Enhance IPO and PO 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



IPO Underwriting Ranking (Apr. 2015-Mar. 2016)

94 companies were listed during the period

Company name	No. of cases	Underwriting share (%)
SBI	82	87.2
Nikko	70	74.5
Mizuho	68	72.3
Monex	49	52.1
Nomura	46	48.9
Daiwa	45	47.9
Ace	43	45.7

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

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

Endeavoring to expand the corporate business by continuing to expand the IPO and PO underwriting businesses

①- ii. Further strengthening the retail business: Launched the sales of first publicly offered self-originated structured bond

Launched the Sales of First Publicly Offered Self-originated Structured Bond

-The first self-originated structured bond by a major on-line securities company for distribution to retail investors*- (* Complied by SBI SECURITIES as of Mar. 30, 2016)

In Mar. 2016, launched the sales of “Digital Coupon Reverse Convertible (Next Funds Nikkei 225 Leveraged Index Exchange Traded Fund),” **the first self-originated** public structured bond that was originated at SBI Securities (Hong Kong), SBI SECURITIES’ Hong Kong subsidiary

Further enhancing marketability through such measures as increasing the interest rate, and planning the origination and distribution of structured bonds equivalent to JPY25.0bn during 2016



➔ Through self-origination, a wider variety of attractive structured bonds may be offered

① - ii. Further strengthening the retail business: Enhancing the IFA business

Strengthening the Retail Business through the Utilization of the Face-to-face Channels and the Enhancement of the IFA (Independent Financial Advisor) Business

SBI has joined up with 179 IFAs nationwide* **to bolster face-to-face customer consulting** about asset management and strengthen the IFA business through various initiatives, along with expanding the IFA network

*As of March 31, 2016

Launched "IFA online," a portal site, to support the diffusion of IFA in Mar. 2016

As a website that specializes in information concerning IFAs, IFA online widely disseminates reports ranging from basic reports on what IFAs are to advanced reports for people considering or currently engaged in the IFA business



[Front page]



[Reports]

①- iii. Reducing system costs in order to increase profitability:

Reducing System Costs through the Establishment of an In-house System Development Company, to Promote the Development of the SBI Group's Unique Online System for Internal and External Use



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
- ◆ Of the 150 employees, 93 are highly skilled foreign IT section staff (as of Mar. 31, 2016), responsible for the advanced in-house system development
- * “BITS” stands for Better IT Solutions

- SBI SECURITIES has reduced the previous 31 various system vendors to 21 vendors as of the end of Mar. 2016. Furthermore, plans are to reduce the number to half of the vendors by the summer of 2016
- Going forward, SBI SECURITIES will further implement internal systems development efforts by sequentially switching current system vendors to SBI BITS, and through the utilization of SBI BITS develop successor trading tools to HYPER SBI that possess a high degree of customer convenience, within this fiscal year

SBI SECURITIES will endeavor to reduce its systems cost to major external system vendors by about 20% within a two year period, by sequentially aggregating the systems' commissions to SBI BITS



In 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 SBI Sumishin Net Bank is endeavoring to increase profitability by promoting diversification of its earnings sources**
 - i. Expanding the settlement business, primarily in the credit card business**
 - ii. Capturing the escalating housing loan refinancing demand upon the BOJ's announcement of its negative interest rate policy**

Expanding the Settlement Business, Primarily in the Credit Card Business



(Acquired in Oct. 2015)

Development of products and services with high affinity for SBI Sumishin Net Bank's card loans

By focusing the Group's collective efforts, developing the credit card business into a primary revenue source to achieve profitability within this fiscal year

Acquisition of new customers

- 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

Utilization promotion measures

- Implement upgrade invitations to current credit card members
- Improve card utilization rate through the point addition campaign

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

Also, at SBI Sumishin Net Bank, Japan's first **Visa debit cash card equipped with Visa payWave*** was launched in Jan. 2016

* Contactless settlement solution provided by Visa Worldwide

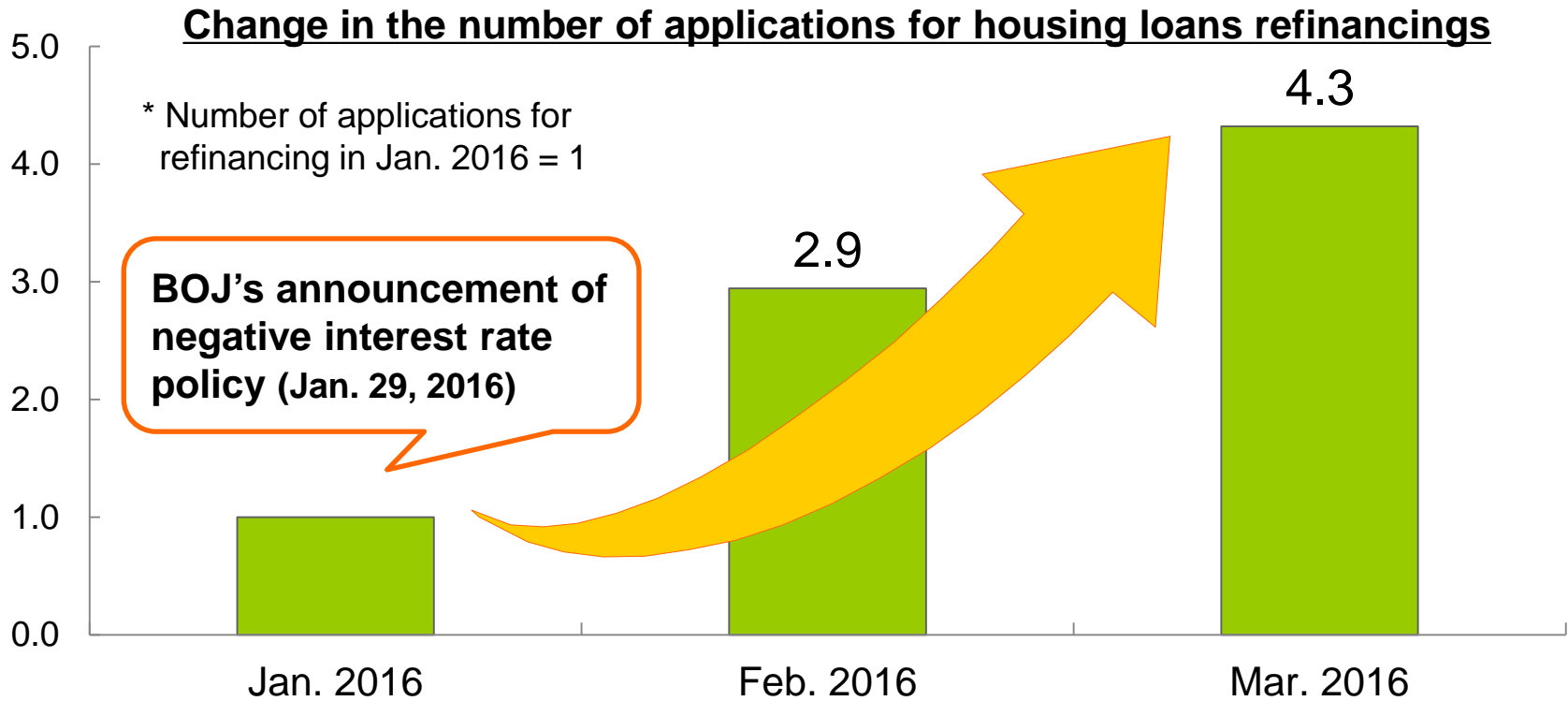
②- ii. Capturing the escalating housing loan refinancing demand:

The Escalating Housing Loan Refinancing Demand Upon the BOJ's Announcement of Its Negative Interest Rate Policy

Since its establishment, SBI Sumishin Net Bank has focused its business on housing loans, and its balance* of housing loans now totals JPY 2,212.3bn (as of Mar. 31, 2016)



Number of applications for housing loan refinancings for Feb. and Mar. 2016, upon the BOJ's announcement of negative interest rate policy, grew by approx. 3-4 times that of Jan. 2016

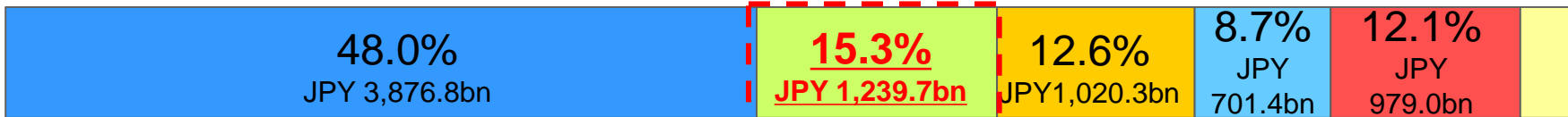


* Deducts repayments from the cumulative total of new loans. Includes housing loans extended as a banking agency of Sumitomo Mitsui Trust Bank

- ③ In the insurance business, develop and sell new products while utilizing group synergies. In addition, enter the reinsurance business to further boost profitability and consider acquiring small-amount, short-term insurance companies**
 - i. SBI Insurance embarks on the development of a fire insurance product**
 - ii. SBI Life Insurance thoroughly utilizes group synergies to sell medical insurance and term insurance**
 - iii. Strengthen the profitability of the entire insurance business by entering into the reinsurance business**
 - iv. Considering further acquisitions of small-amount, short term insurance companies**

SBI Insurance Embarks on the Development of Direct Fire Insurance, to Initiate an Insurance Premium Revolution

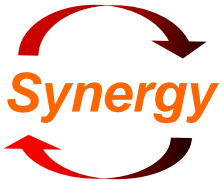
Distribution ratio of net premiums by line among the domestic non-life insurance companies



- Voluntary Automobile
- Compulsory Automobile Liability
- Miscellaneous Casualty
- Fire
- Personal Accident
- Marine and Inland Transit

Source: The General Insurance Association of Japan, "GENERAL INSURANCE IN JAPAN FACT BOOK 2015"

Developing a low-premium fire insurance, and its sales cost will be reduced drastically by fully utilizing the synergies with SBI Sumishin Net Bank and ARUHI (former SBI Mortgage), both of which are materially involved in housing loans



住信SBIネット銀行



ARUHI

(SBI Group's share holding*: Approx.10.32%)

* Ratio of voting rights for ARUHI Group Co., Ltd., the holding company of ARUHI. SBI Group's shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group. (As of the end of Mar. 2016)

SBI Life Insurance Thoroughly Utilizes Group Synergies to Sell Whole Life Medical Insurance and Term Insurance

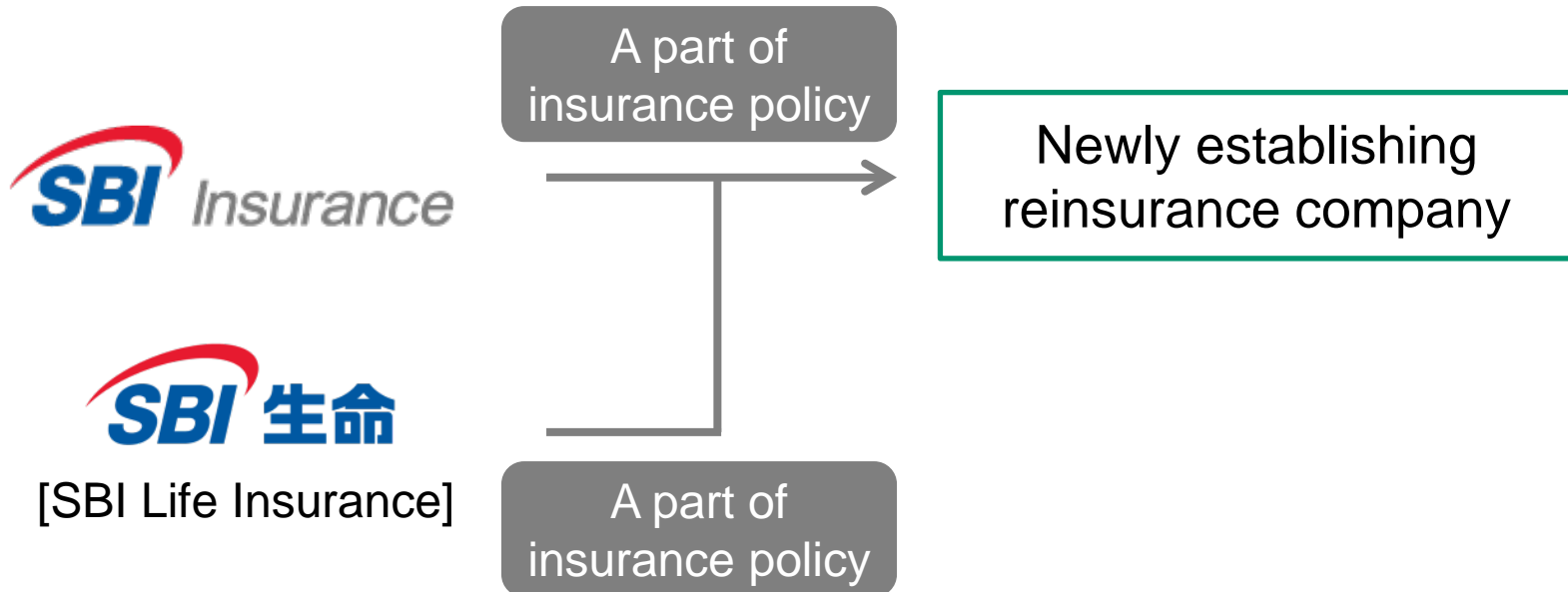
	[Internet channel]	[Face-to-face channel]
Group companies	SBI証券 [SBI SECURITIES] Number of accounts: <u>3,564 thousand</u>	<div style="background-color: #4a7ebb; color: white; padding: 5px; text-align: center;">Face-to-face Insurance shop</div> SBI マネープラザ [SBI MONEY PLAZA] Hoken Minaoshi Honpo (Operated by the subsidiary of NEWTON FINANCIAL CONSULTING, Inc.) Mitsubachihoken (SBI's shareholding percentage of its operating company: 25.76%)
	住信SBIネット銀行 [SBI Sumishin Net Bank] Number of accounts: <u>2,586 thousand</u>	
	SBI損保 [SBI Insurance]	
	保険の窓口 [SBI Holdings Insweb] Number of customers: <u>7,820 thousand</u>	<div style="background-color: #4a7ebb; color: white; padding: 5px; text-align: center;">Call center</div> NEWTON FINANCIAL CONSULTING, Inc. (SBI's shareholding percentage: 20.03%) Financial Agency Inc. (SBI's shareholding percentage: 38.74%)
Specific measures	<ul style="list-style-type: none"> ➤ Utilize their mail magazine ➤ Publish introductory content on their HP ➤ Implement cold call (SBI Insurance, SBI IKI IKI SSI) 	<ul style="list-style-type: none"> ➤ Hold seminars (SBI MONEY PLAZA) ➤ Raise sales agents' product recognition through training, etc.

*1: SBI's shareholding percentage corresponds to a total percentage, which include dilutive shares, based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group (As of Mar. 31, 2016)

*2: The numbers of accounts, contracts and customers are as of the end of Mar.2016

Strengthen Profitability of the Entire Insurance Business by Entering into the Reinsurance Business

- Through a step-by-step aggregation process of portions of insurance policies that SBI Insurance and SBI Life Insurance currently cedes to an external reinsurance company, to the newly established reinsurance company, some costs, such as the reinsurance premiums paid to non-Group companies, will be curtailed
- Plan to commence its business in the first half of this fiscal year

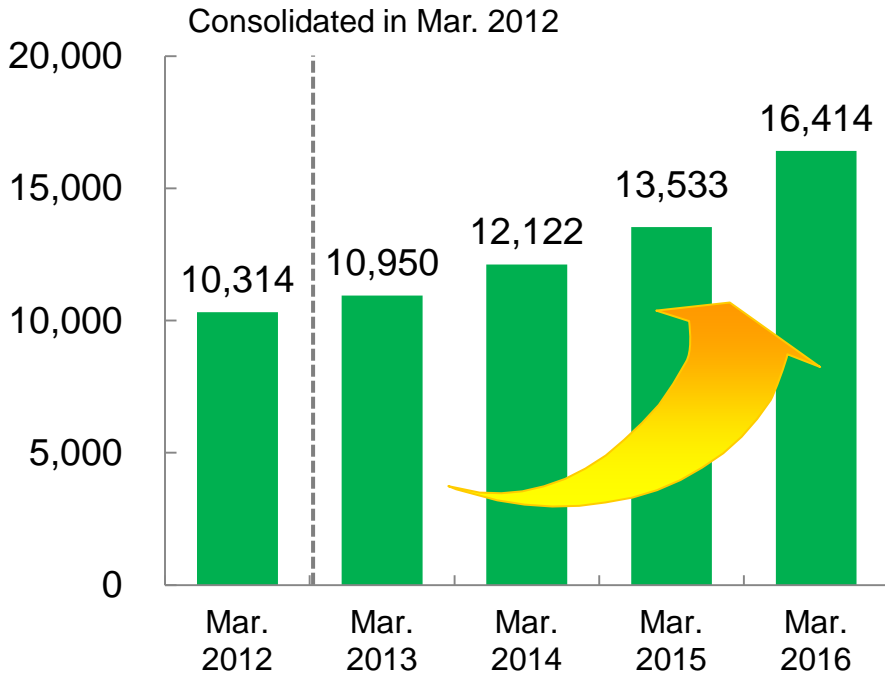


③- iv. Small-amount, short term insurance business:

With the Significant Increase in the Number of Contracts Upon the Consolidation of SBI SSI and SBI IKIIKI SSI, Contemplating Further Acquisitions of Small-amount, Short-term Insurance Companies

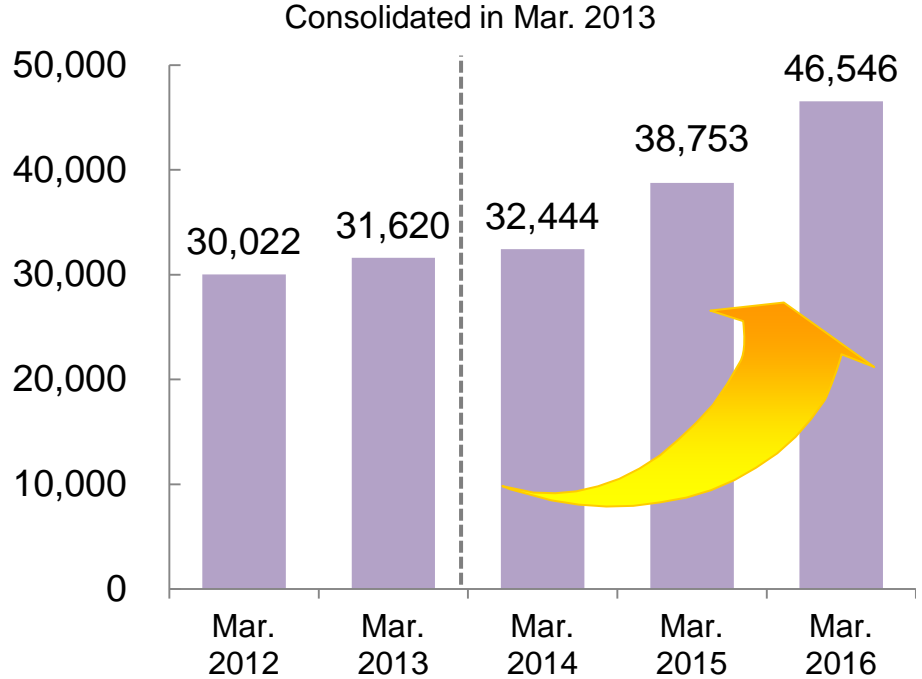
SBI 少額短期保険 [SBI SSI]
[Earthquake indemnity insurance]

Number of contracts



SBI いきいき少額短期保険 [SBI IKIIKI SSI]
[Death insurance, Medical insurance]

Number of contracts



Considering the acquisition of additional small-amount, short-term insurance companies. Although this type of insurance business is constrained by the fact that insurance contracts are short-term and small in amount, it also offers advantages that insurers require less capital than ordinary insurance companies and, it could provide both life and non-life insurance.

(3) In the Asset Management Business, promoting various initiatives through the utilization of the existing network, such as the establishment of new funds and the enhancement of asset management services

- ① SBI Investment KOREA of South Korea established new funds, to increase investments**
- ② Pursue planned establishment of a new fund to increase corporate value through introduction of FinTech to regional financial institutions and other means**
- ③ Expand asset management services through initiatives including promotion of global asset allocation utilizing the Group's overseas networks and seek to boost profitability**

Establishment of New Funds in South Korea to Increase Investments

Through funds managed by SBI Investment KOREA of South Korea, focusing on the development of next generation industries and the enhancement of corporate value of investee companies

**KIF SBI
Secondary Fund**
Total commitment
amount:
KRW 70.0bn
(approx. JPY 6.3bn)

**IBK/SBI Bio
Fund (first fund)**
Total commitment
amount:
KRW 30.0bn
(approx. JPY 2.7bn)

**SBI Media
Contents Fund**
Total commitment
amount:
KRW 10.0bn
(approx. JPY 0.9bn)

Establishing new funds to further increase investments

* Converted at KRW 1 = JPY 0.09

Planned Establishment of a New Fund to Solve Issues Facing Regional Financial Institutions and Increase Their Corporate Value through Support for FinTech Introduction

The environment facing regional banks and other regional financial institutions:

Corporate governance reform led by the Japanese government

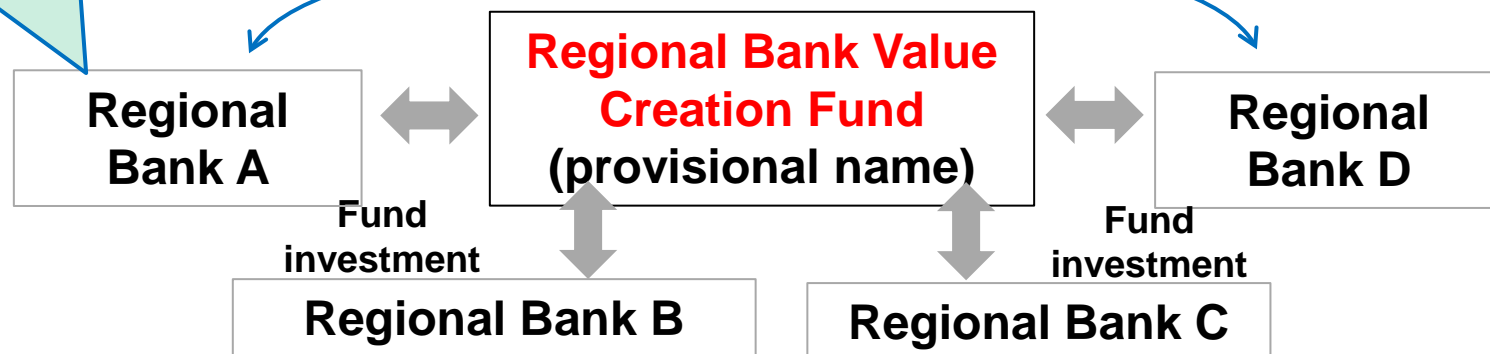
BOJ's announcement of negative interest rate policy

Trend toward dissolution of cross-shareholding is accelerating even in the financial industry

Stability and improvement of the earning capacity of regional banks and other institutions is an important task

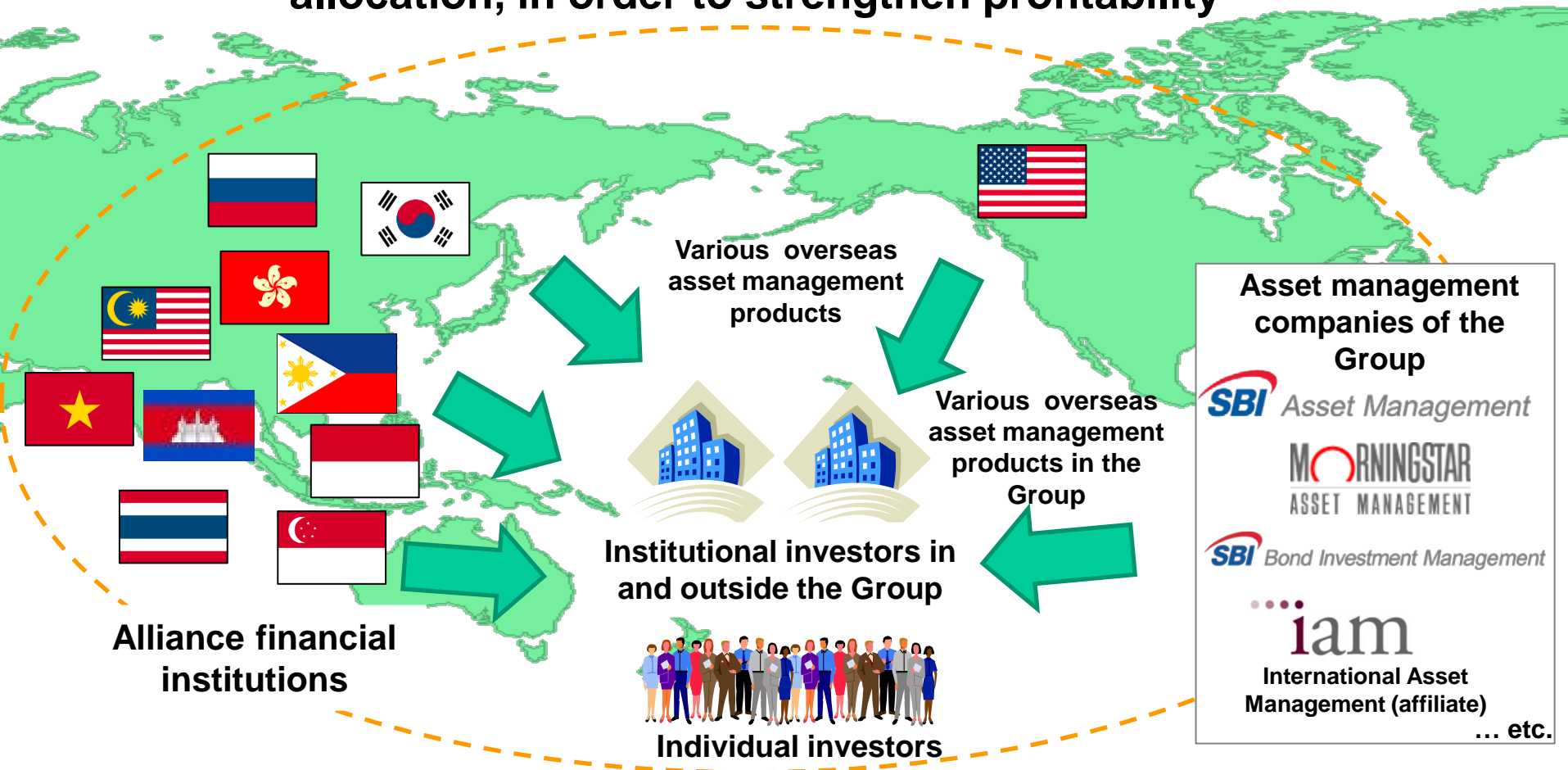
Realize dissolution of cross-shareholding for regional banks and other institutions

The SBI Group and its investee FinTech companies propose to investee banks a new financial business utilizing those technologies via the fund.



Promotion of Global Asset Allocation

Utilizing the Group's overseas network to promote global asset allocation, in order to strengthen profitability



- In joint venture discussions with a Swiss financial institution with asset allocation expertise
- By establishing a consulting capability for global asset allocation, promote a collaboration with SBI SECURITIES

SBI Bond Management, through the Advanced Investment Prowess of PIMCO of the U.S., which has the Strength of Actively Investing in Bonds, Meets the Needs of Products that Minimize the Risk in Bonds, Aside from Stocks



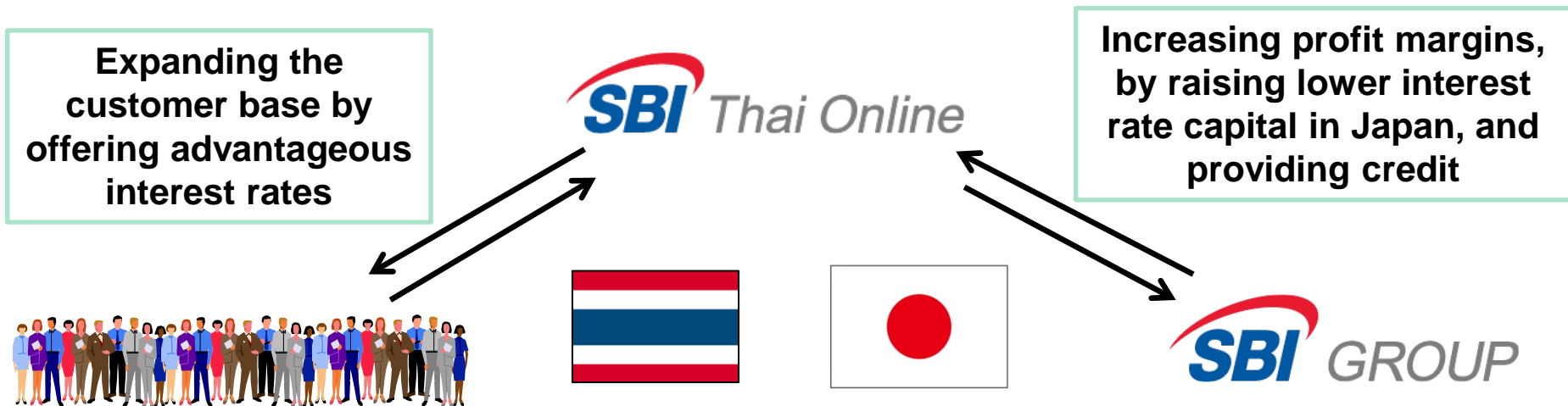
- Completed the registration of the Investment Management and Investment Advisory and Agency Businesses, enabling SBI Life Insurance to start its asset management trust business from Apr.
- From this summer, planning to develop and provide simple low-cost investment products, primarily low-risk active bond funds for individual investors

Preparing the Introduction of Services with Arbitrage Capabilities between Japan and Abroad

Highly profitable services, taking advantage of higher interest rates overseas and utilizing lower interest rate capital from Japan

【Utilization plan in Thailand】

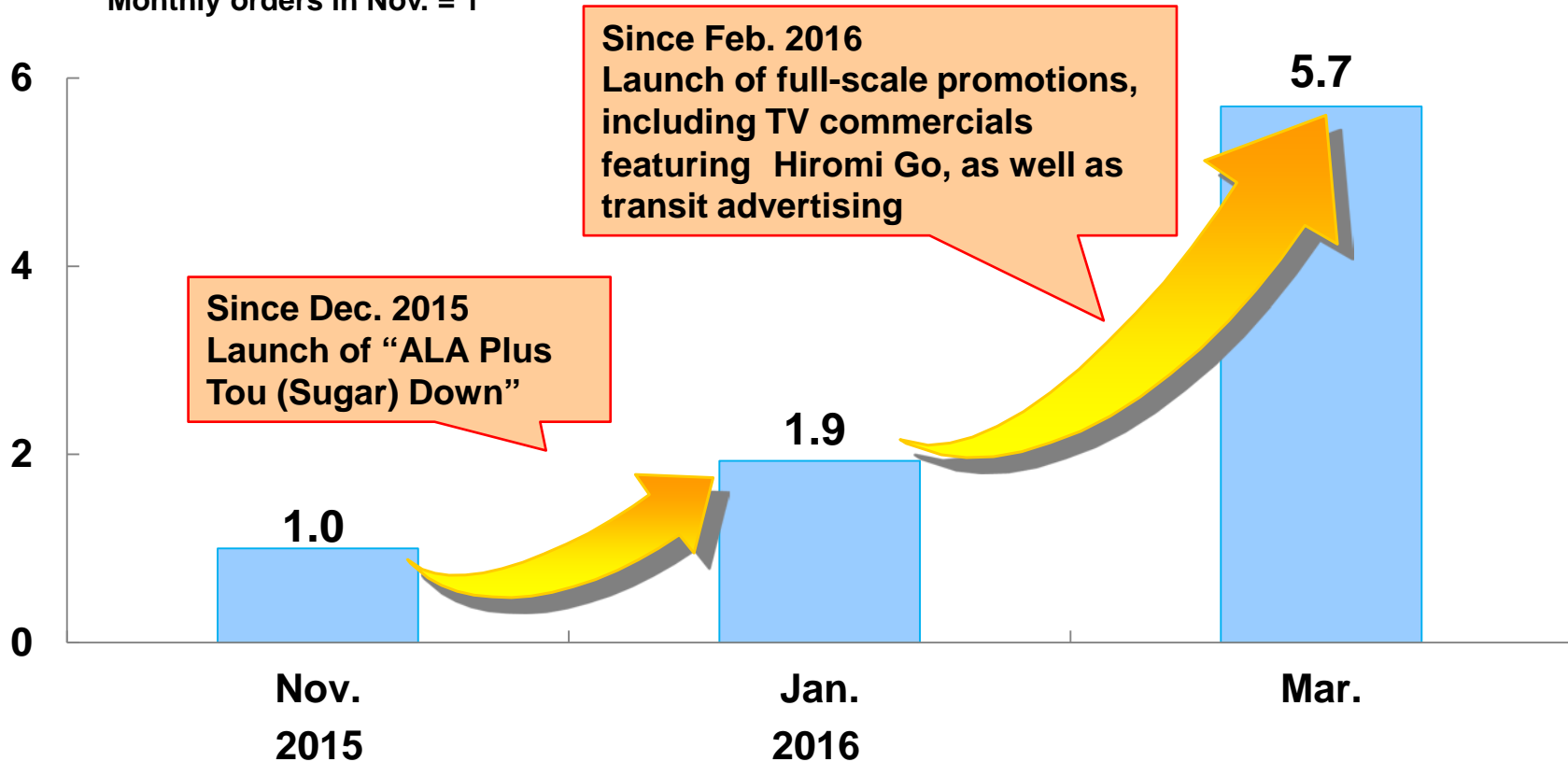
~Introduction of margin transaction in SBI Thai Online~



(4) In the 5-ALA-related Business, establishes a production system that meets the increase in orders received, proceeds with the development of new foods with function claims, and undertakes an expansion of the earnings base through the out-licensing of technology and the introduction of pharmaceutical products

Changes of SBI ALApromo's Monthly Orders

* Monthly orders in Nov. = 1



Further orders are expected in the fiscal year ending March 31, 2017, in part because of the full-scale start-up of a joint promotion with Kenkou Corporation and Rizap.

Development of Foods with Function Claims as a Key Strategy Category in 5-ALA-related Business

In preparations for the development of new foods with function claims, following “ALA Plus Tou (Sugar) Down”

Development plan:

Measures for hangovers
(Hirosima Univ.)

Male fertility improvement
(Juntendo Univ.)

Improvement in the exercise capacity for the elderly

Scheduled for application as foods with function claims

FY2016

FY2017

FY2018

Clinical trials expected to start in 2016

Projects by SBI Pharmaceuticals Toward the Realization of an Early Profitability ①

~In the Pharmaceutical Fields~

- In discussions for the out-licensing of technology by category in the pharmaceutical fields

<Exam.>

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

- Although development of an intraoperative diagnostic drug used at the time of extirpative surgery for brain tumors or bladder cancer (PDD: photodynamic diagnosis) came first, the focus in future will be on PDT (photodynamic therapy) using 5-ALA

→The development of Photodynamic Therapy (PDT) for brain tumors is already being promoted with photonamic

- Going forward, will promote R&D for malaria and mitochondrial diseases

Increasing Needs for Therapeutic Agents for Malaria and Mitochondrial Disease

Therapeutic agent for malaria (SBI Pharmaceuticals and The University of Tokyo have applied jointly for and obtained a patent for an antimalarial drug that contains 5-ALA as an active ingredient)

- ✓ In 2015, the WHO announced that 214 million people worldwide contracted malaria and 438,000 people died from the disease (Source: WHO “World Malaria Report 2015”)
- ✓ Although drugs containing artemisinin, have performed as wonder drugs against malaria from the 2000s onward, there have already been reports of malaria protozoa that exhibit resistance to artemisinin, and the problem is becoming serious

Therapeutic agent for mitochondrial disease

- ✓ In Japan, a physician-led trial (Phase II) for a therapeutic agent that uses 5-ALA is underway at Saitama Medical University in response to orphan drug designation.
- ✓ During the current fiscal year, there are plans to establish a Japanese NPO, which, through support activities for mitochondrial disease patients, their families, and medical practitioners, will work toward the realization of a society in which everyone can receive safe and secure medical treatment

Projects by SBI Pharmaceuticals Toward the Realization of an Early Profitability ②

~In the Field of Health Foods, Feeds, Cosmetics~

Thoroughly promote the global out-licensing of technology, along with business partnerships

➤ **Progressing with discussions for the out-licensing of technology and business partnership as well as in the food fields**

➤ **Promoting sales of health foods in Asia and Middle East**

Already on sale : Bahrain, Jordan and Philippine

In discussions : Thailand, Indonesia, Malesia and UAE

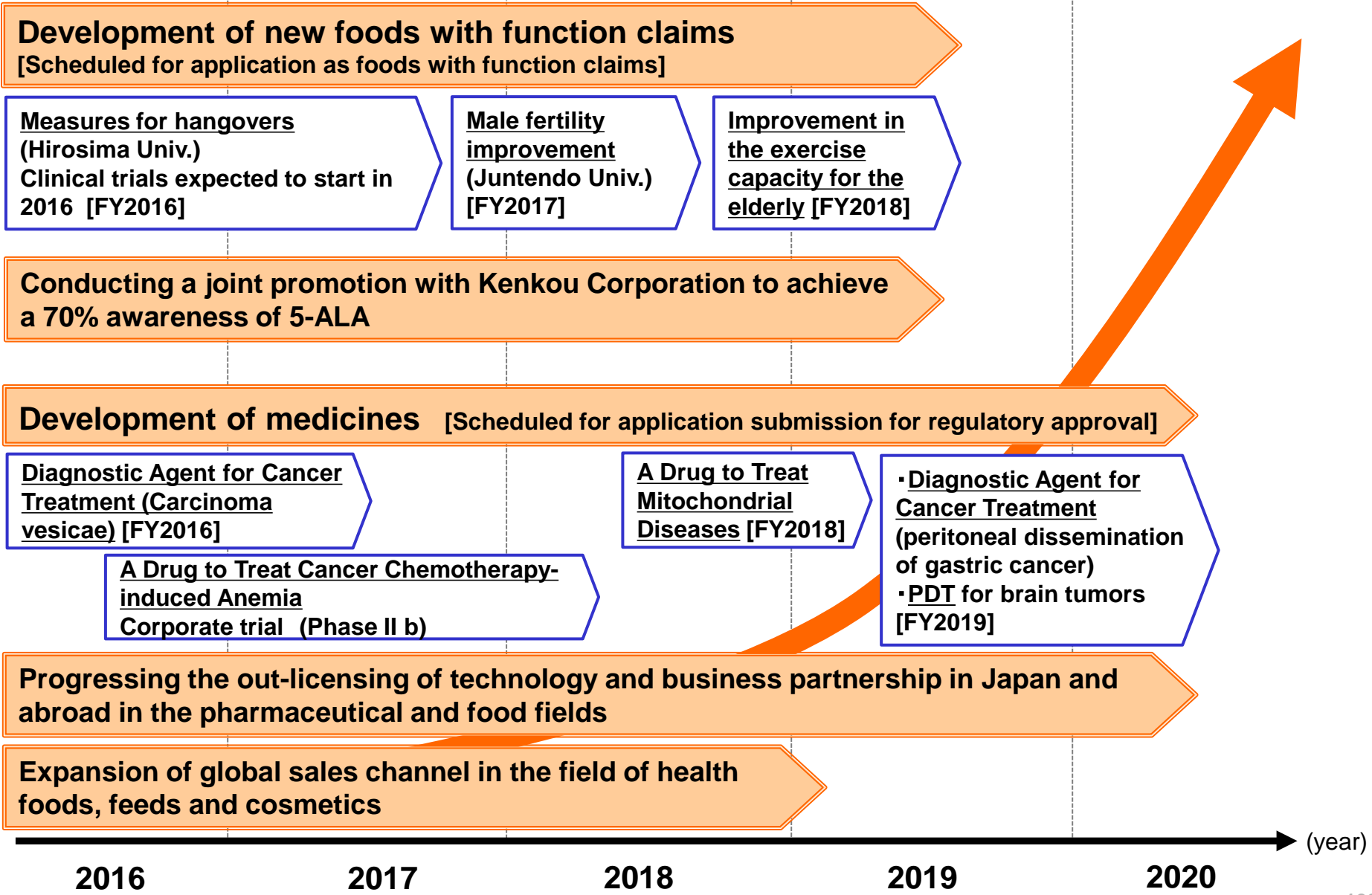
➤ **Demonstration tests of livestock feeds initiated in Mexico**

Excellent interim results have been obtained in demonstration testing of livestock feed containing 5-ALA being conducted locally, and a commercialization plan will be implemented based on the results

➤ **In Hong Kong, in preparation for the registration of a cosmetic ingredient**

Coordination with the regulatory authorities is underway to enable use of 5-ALA phosphate, a cosmetics raw material used in Japan, as well

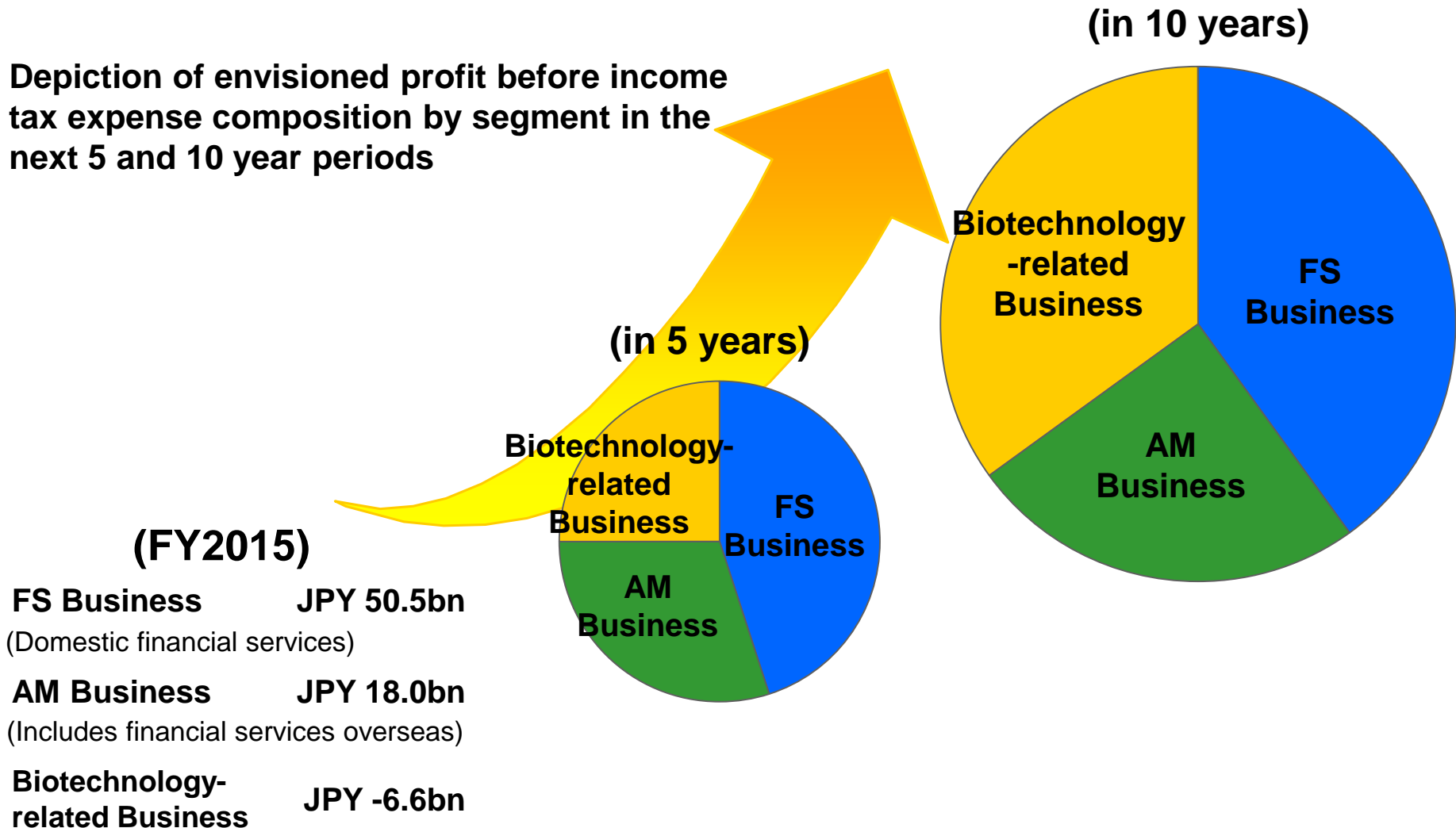
Toward the Establishment of a Revenue Base in the 5-ALA-related Business



SBI's Med- and Long-term Vision

~By promptly achieving profitability in the Biotechnology-related Business, and sustaining growth to realize the vision~

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



[Reference]

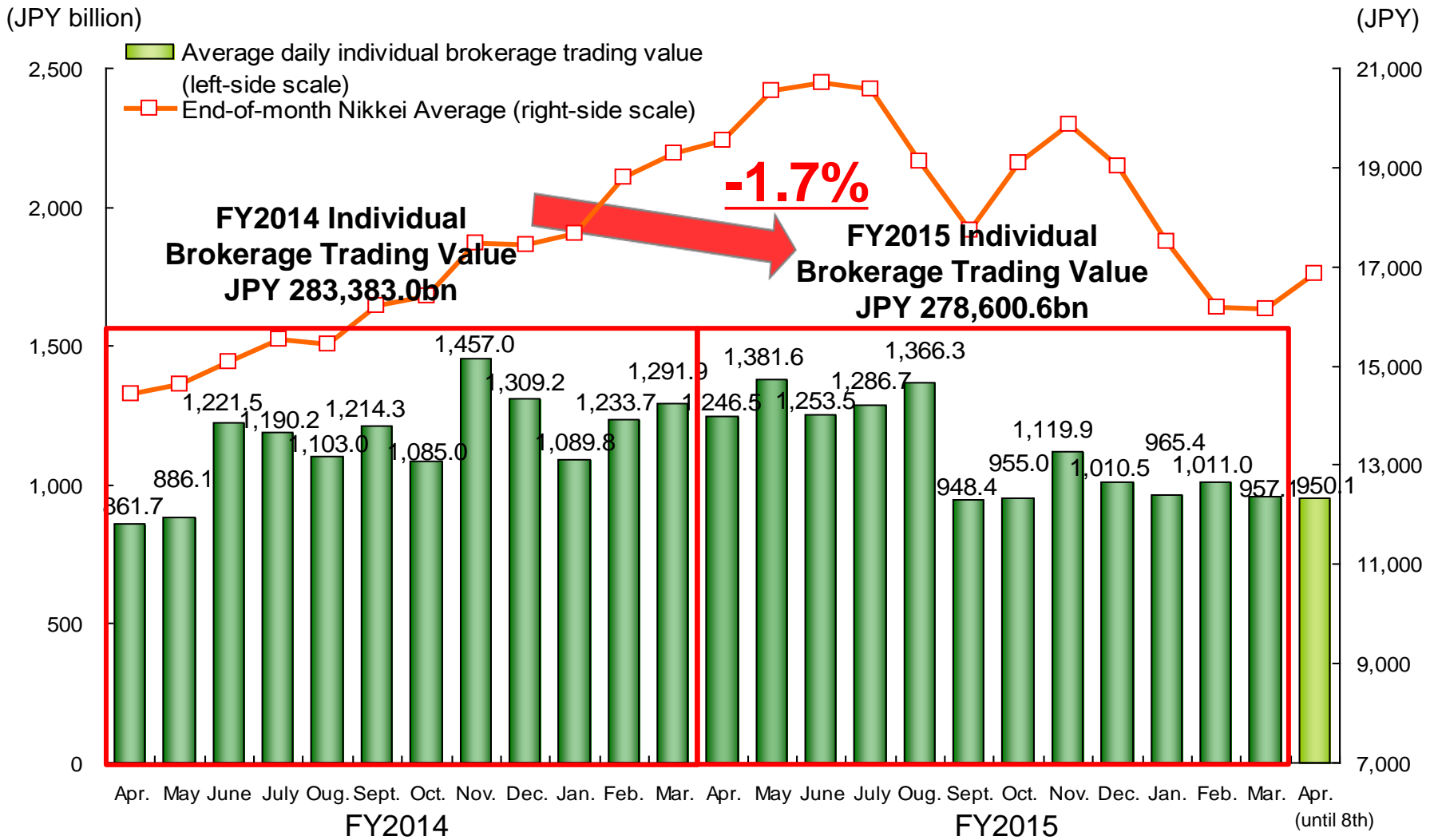
(1) State of the Major Financial Services Business Companies

① SBI SECURITIES

- While the individual stock brokerage trading value of the Tokyo and Nagoya stock markets decreased 1.7%, that of SBI SECURITIES increased 6.7% year-on-year, leading to an achievement of significant increases in both operating revenue and profits. Operating revenue and all profit categories recorded an historical high for three straight fiscal years.
* SBI SECURITIES' IFRS based profit before income tax expense for FY2015 was JPY 37,850m, an historical high
- Share of individual stock trading value continued to increase by 3.9 percentage points year-on-year to 42.0%. Of which share of individual margin trading value further increased by 5.3 percentage points year-on-year to 45.8%
- As a result of focusing on the sales of stable revenue generating products, investment trust balance continued at a high level. Additionally, financial revenue rose 12.5% year-on-year, owing to a high level of open interest credit balance, despite the volatile market

Trend of the Average Daily Individual Brokerage Trading Value

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



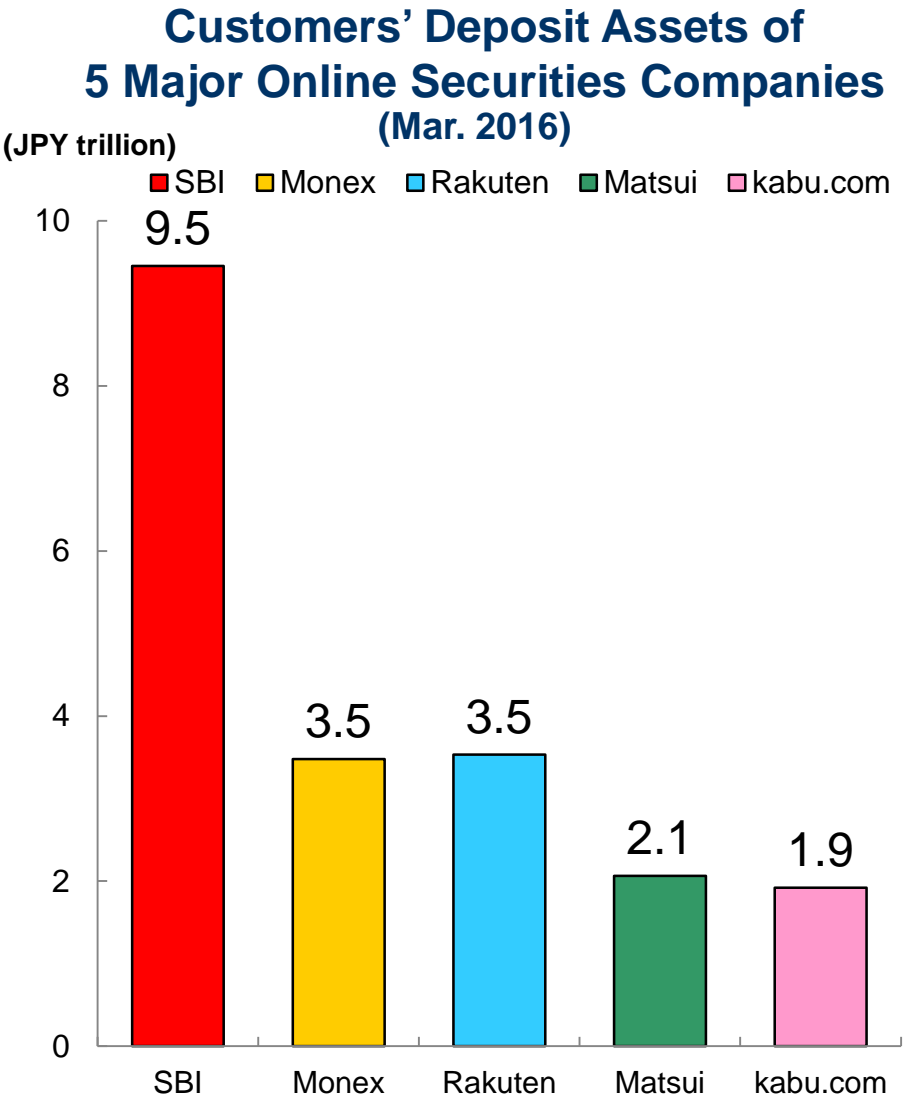
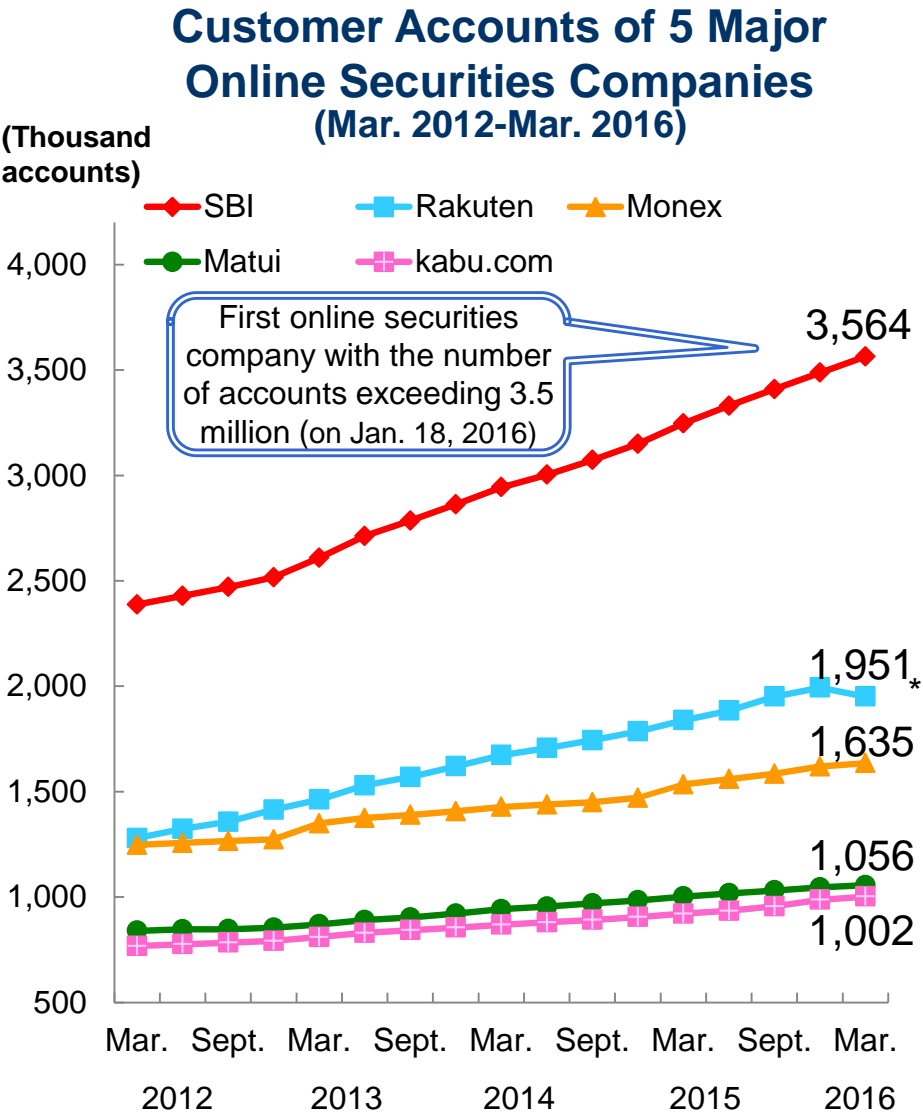
* Japanese stocks listed on Tokyo Stock Exchange and Nagoya Stock Exchange (Including TSE Mothers, JASDAQ and NSE Centrex)

Source: Compiled by SBIH from disclosed data from TSE

① SBI SECURITIES:

SBI SECURITIES Attains an Overwhelming Customer Base

[Number of Accounts and Amount of Customer Asset]



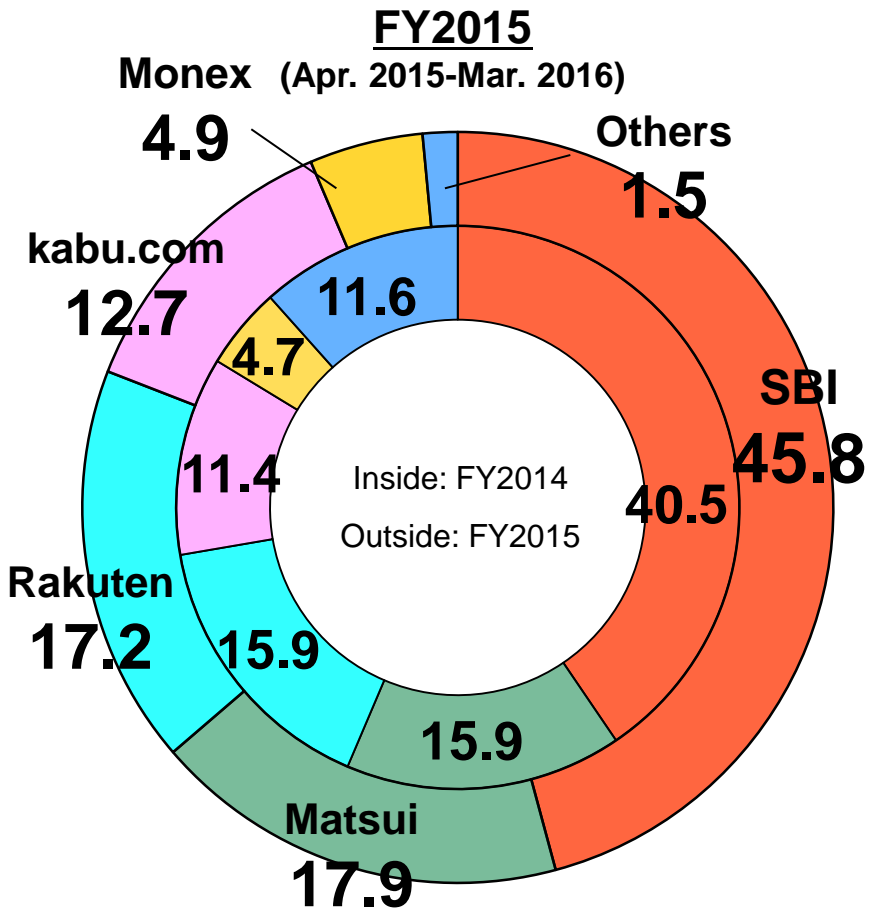
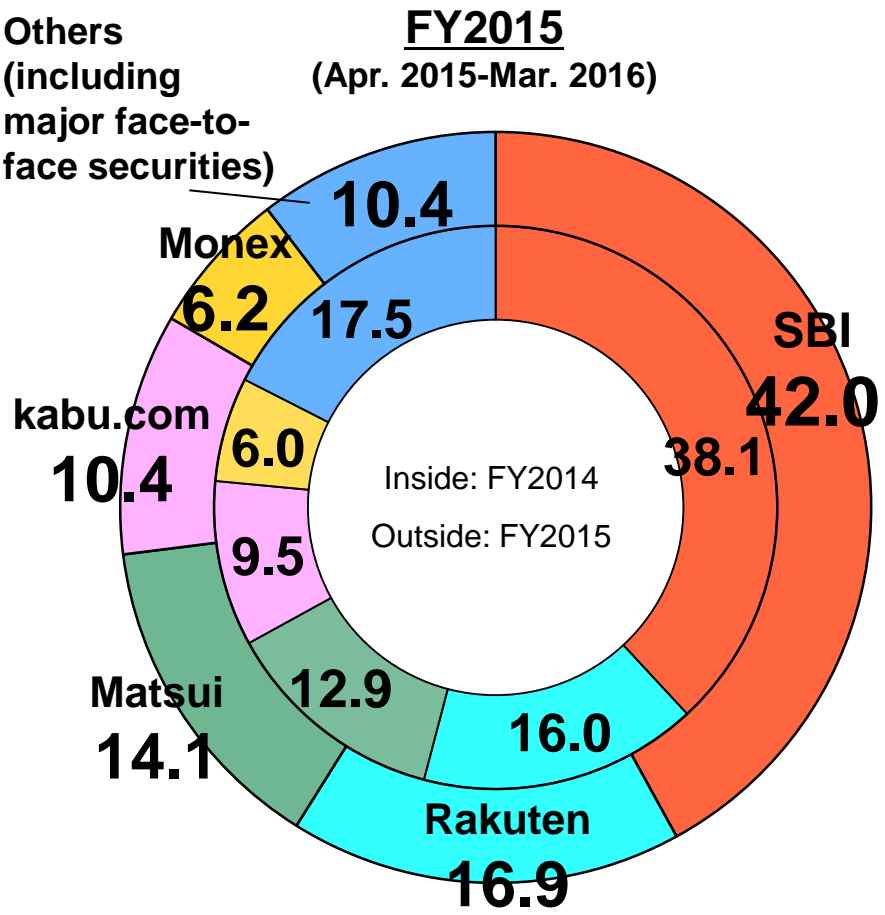
* The figure of Rakuten is that of the end of Sept. 2015 since the figure as of the end of Apr. is not disclosed.

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

SBI SECURITIES' Share of Individual Stock Trading is Continuously Expanding

Share of Individual Stock Trading Value (%)

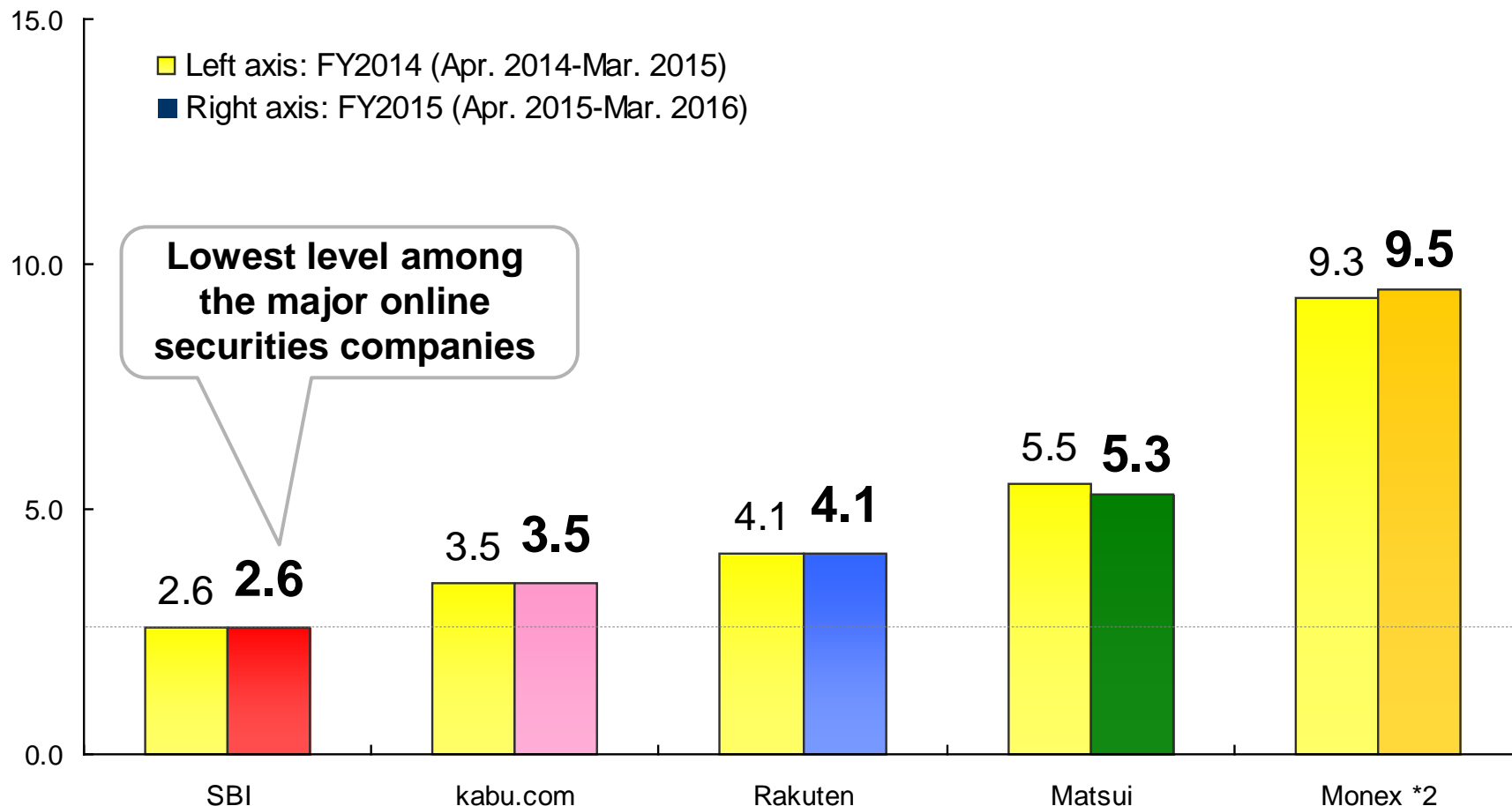
(of which) Share of Individual Margin Trading Value (%)



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

Commission Rate Comparison Between the Major Online Securities Companies

(Basis point) (Calculated as commissions divided by stock brokerage trading value)



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

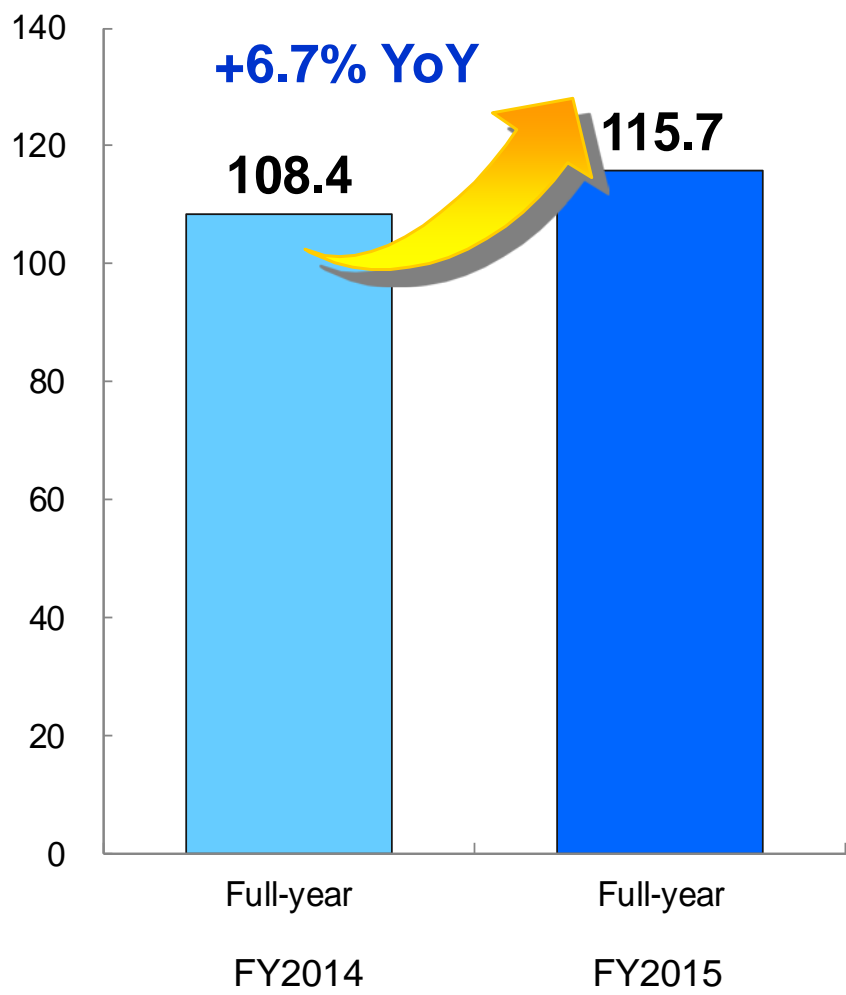
*2 Figures of Monex are based on commission of Monex, Inc.'s commission figures

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

SBI SECURITIES' Stock Brokerage Trading Value and Commissions Dramatically Increased

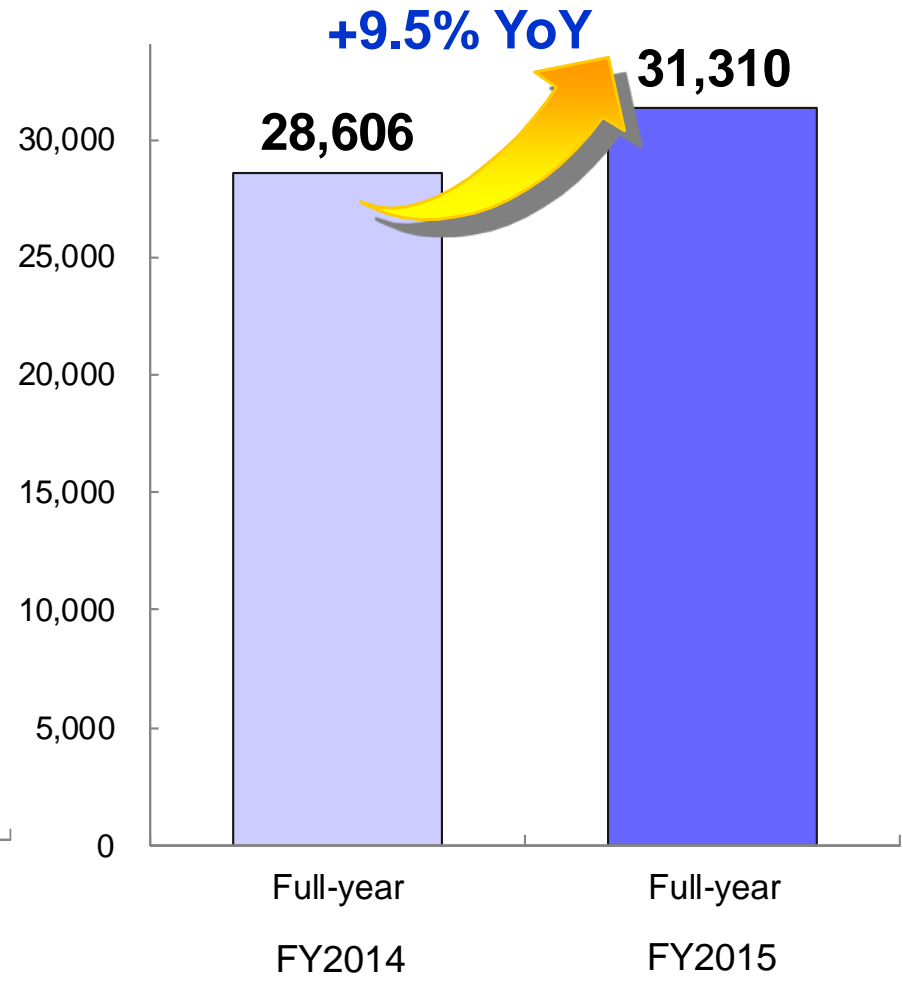
Stock Brokerage Trading Value

(JPY trillion)



Commissions*

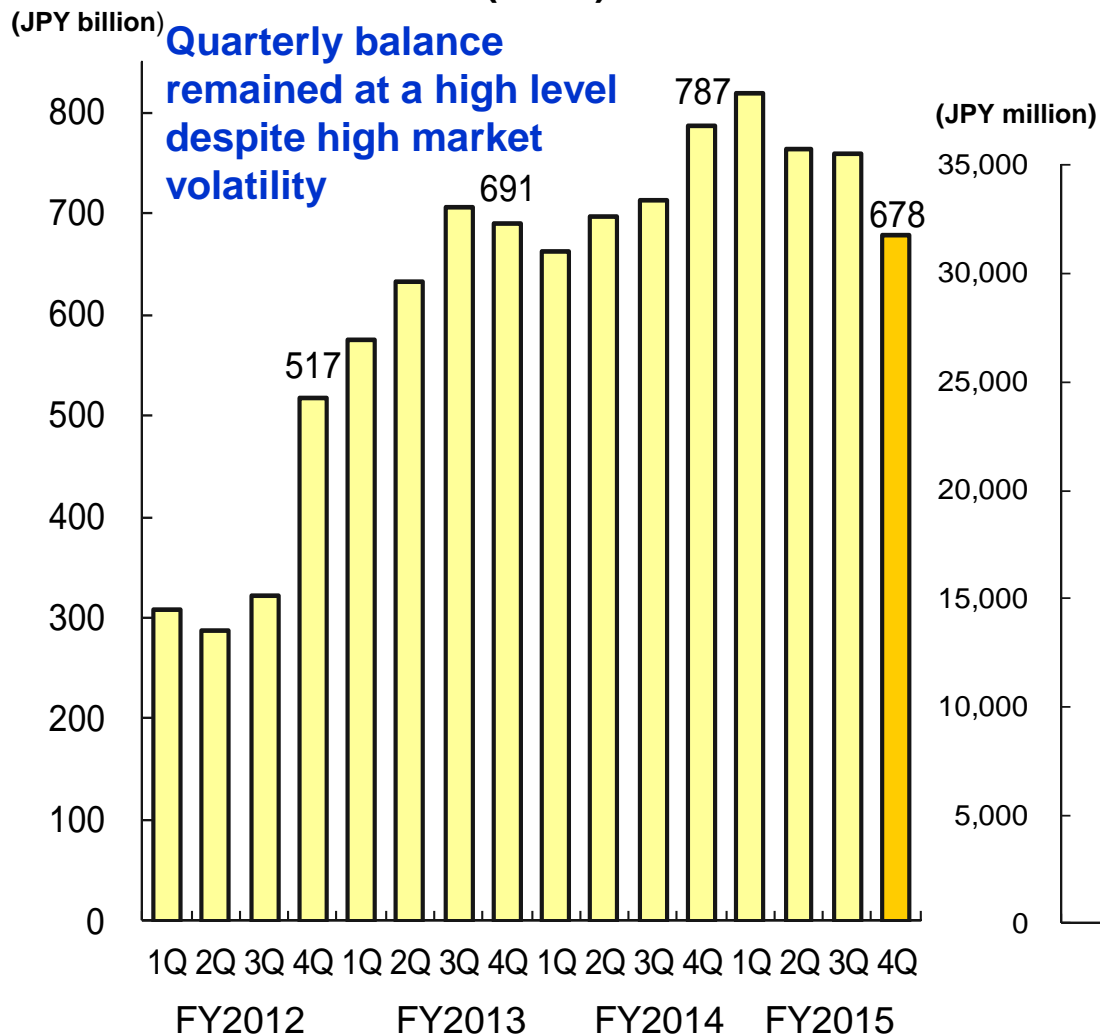
(JPY million)



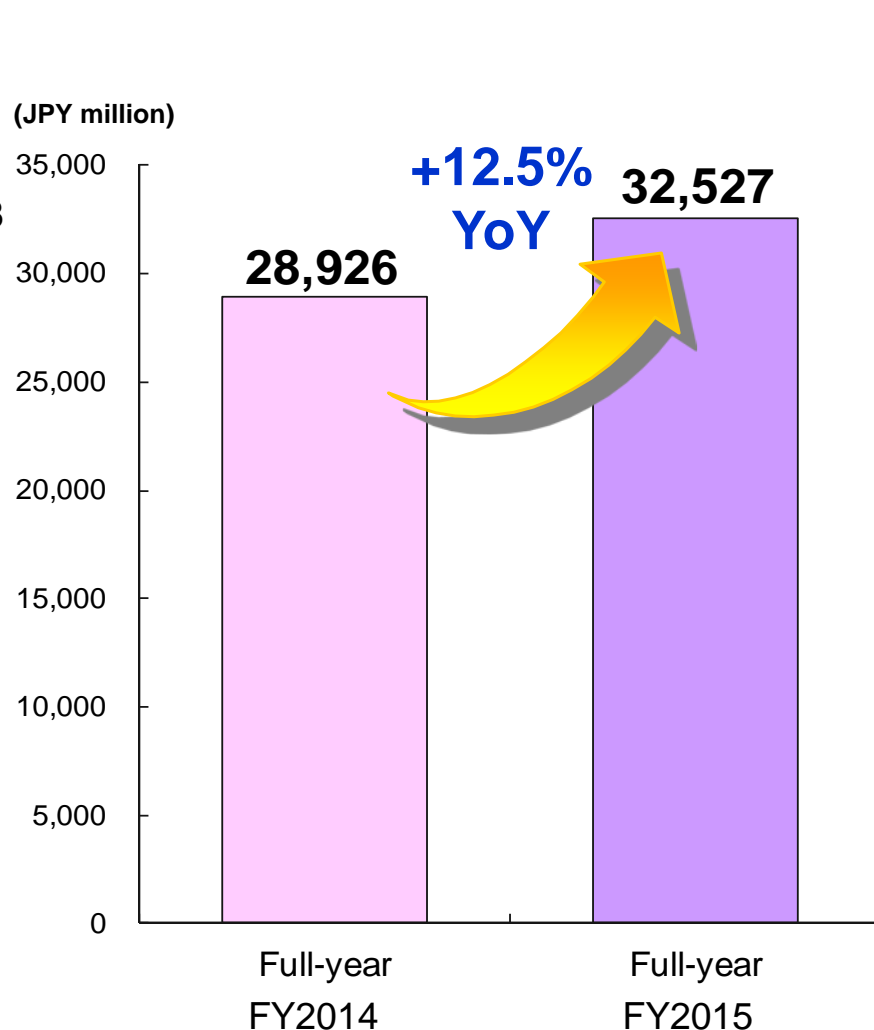
* SBI SECURITIES discloses its financial results on a consolidated basis from FY2015. Also the figures and YoY changes presented above are based on the non-consolidated results for 1H FY2014

SBI SECURITIES' Financial Revenue and Open Interest Credit Balance

**Open Interest Credit Balance
(EOM)**



Financial Revenue*



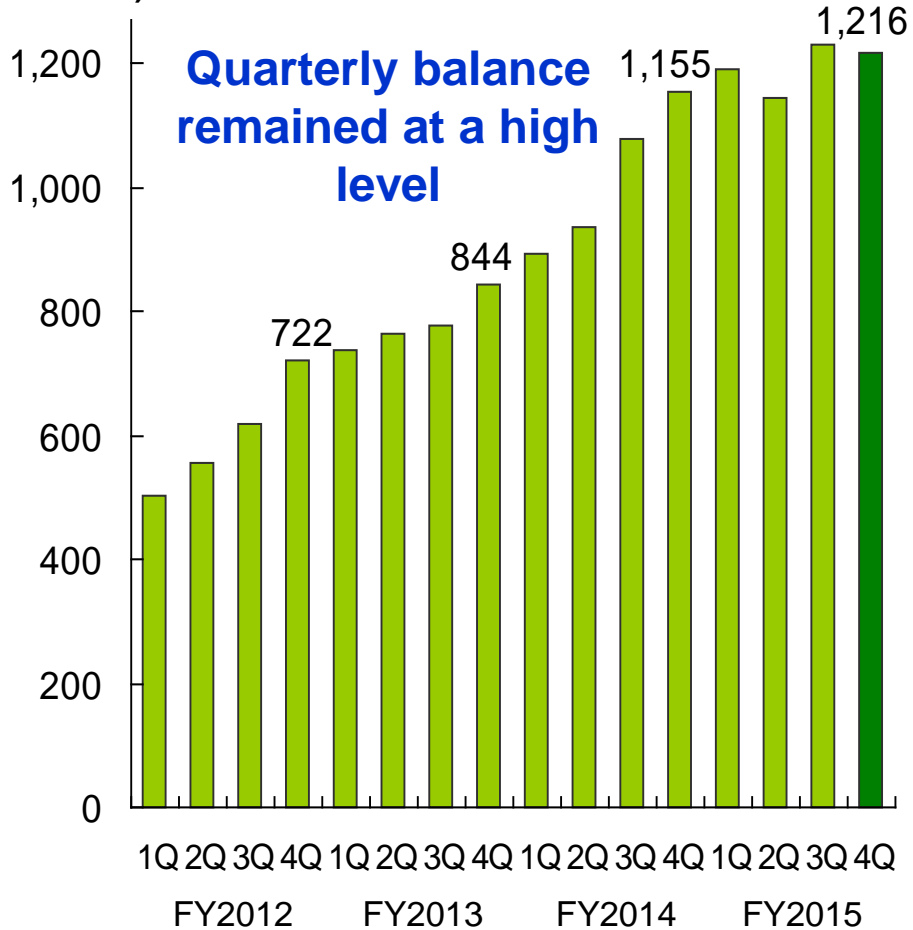
* SBI SECURITIES discloses its financial results on a consolidated basis from FY2015. Also the figures and YoY changes presented above are based on the non-consolidated results for FY2014

SBI SECURITIES' Investment Trust Balance and Investment Trust Fees are Both Record Level

Investment Trust Balance

(JPY billion)

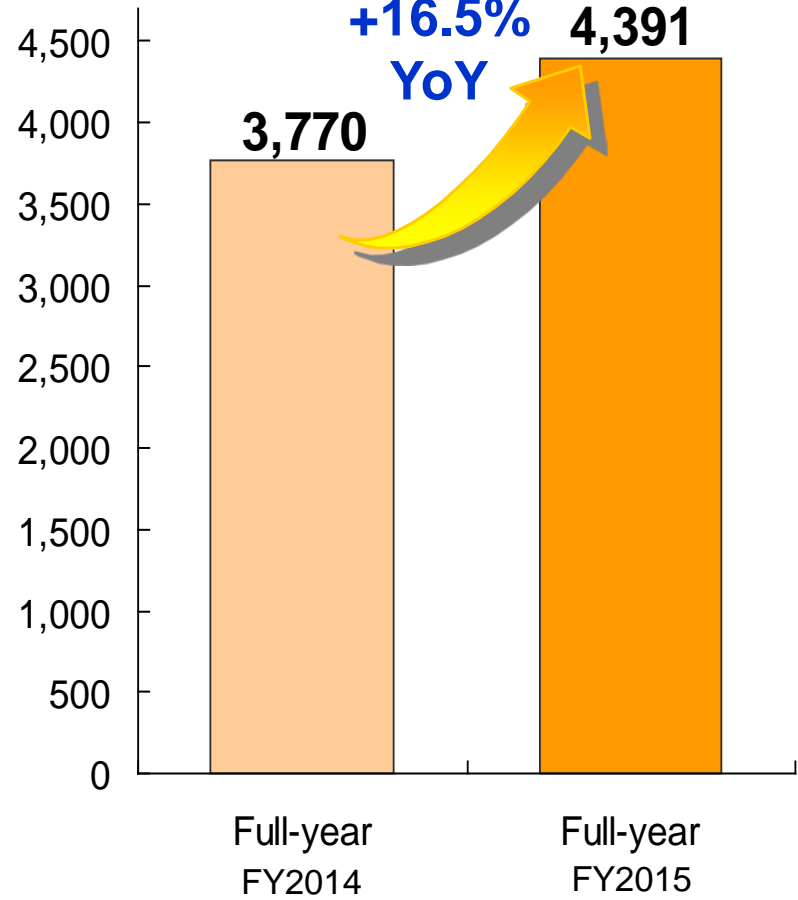
Quarterly balance remained at a high level



Investment Trust Fees

(JPY million)

+16.5% YoY



* 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 FY2014

* Includes MMF, deposits of Chinese Fund and deposits of face-to-face accounts.
 * Investment trust fees is included in "Other commission received".
 * Trust fee excludes MRF.

Succeeded at Attaining New Customers through NISA

(Mar. 2016)	SBI	Matsui	kabu.com	Nomura	Daiwa
No. of NISA accounts	<u>ca. 820,000</u>	ca. 110,000	ca. 120,000	ca. 1,670,000	ca. 740,000

* The number of accounts are as of the end of Mar. 2016, compiled by SBIH from the information on websites of each company. As for Daiwa, the number of accounts are as of the end of Dec. 2015.

As of Apr. 27, 2016, SBI SECURITIES has approx. 840,000 accounts, and deposits of JPY 440.6bn

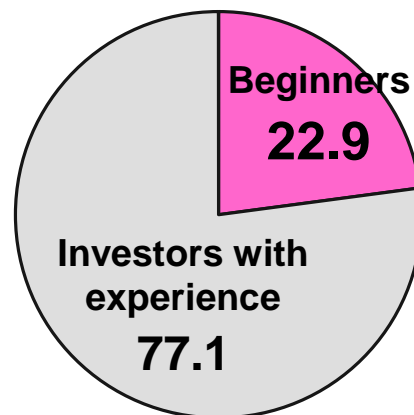
Comparison of Customer Attributes (as of the end of Dec. 2015)

SBI SECURITIES(%)



Number of new customers opening NISA accounts account for 42%, and within that 66.8% are beginner investors

Entire Securities Industry (%)



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

Source: JSDA

■ Active account ratio of 62.6% (Among the entire securities industry, the ratio is 56.7%)

② SBI Liquidity Market, SBI FXTRADE

- Group's total FX trading accounts and deposit assets have overwhelmingly surpassed that of its competitors
- SBI Liquidity Market's operating income before allocation for FY2015 was approx. JPY 12.5bn, up 12.8% year-on-year, which recorded a record high
- SBI FXTRADE continuously increased its customer base and customer deposit assets, and its operating income was up 11.9% year-on-year

② SBI Liquidity Market, SBI FXTRADE:

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

Number of FX Trading Accounts (Feb. 2016)

No.	Company name	Number of accounts
1	SBI Group	748,402
2	DMM.com	503,594
3	GMO CLICK	433,076
4	Gaitame.com	412,017
5	YJFX	298,542
6	MONEY PARTNERS	274,164
7	Traders Securities	262,810
8	Monex Securities	222,404
9	Hirose FX	198,326
10	FX PRIME by GMO Corporation	167,699
11	Central Tanshi FX	159,504
12	MONEY SQUARE JAPAN	94,200
13	Ueda Harlow	53,035
	Other (1 company)	59,993
	Total	3,887,766

Customers' Deposit Assets Raking (Feb. 2016)

No.	Company name	Amount (JPY million)
1	SBI Group	156,512
2	GMO CLICK	117,676
3	Gaitame.com	112,170
4	YJFX	94,576
5	DMM.com	92,563
6	Central Tanshi FX	64,875
7	MONEY SQUARE JAPAN	64,540
8	MONEY PARTNERS	60,224
9	Hirose FX	31,013
10	FX PRIME by GMO Corporation	15,389
11	Traders Securities	13,173
12	Ueda Harlow	12,119
	Other (1 company)	6,746
	Total	841,576

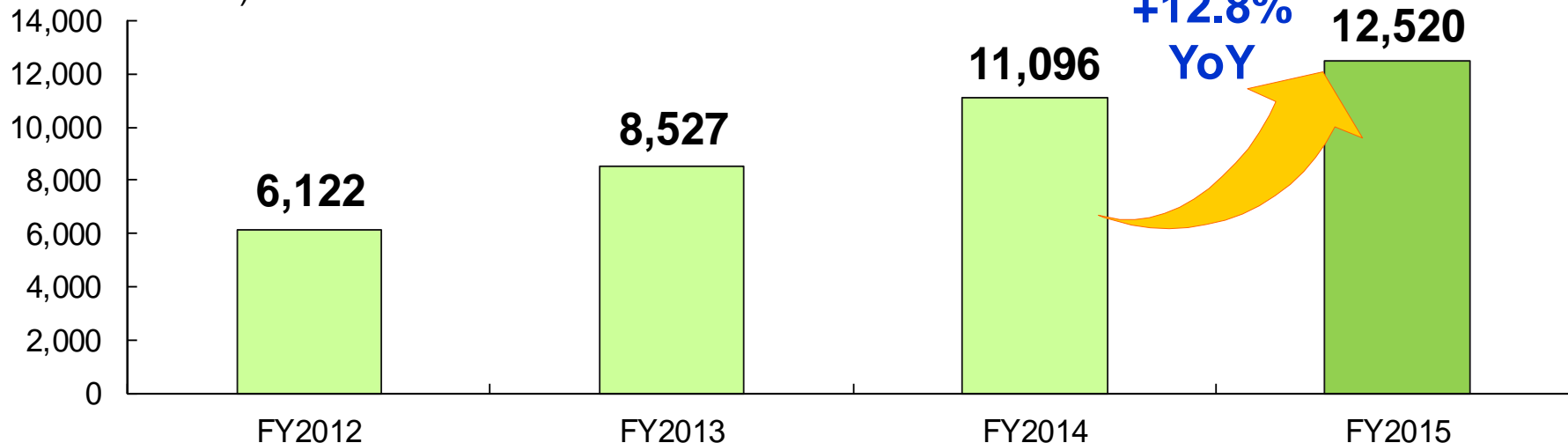
SBI Liquidity Market's Operating Income Before Allocation Achieved Record High

(Unit: JPY million)

	Establishment	Number of accounts	Deposits (JPY billion)	Operating income (J-GAAP)		YoY % change
				FY2014	FY2015	
SBI Group *1	Nov. 2008 [of SBI LM]	760,369 (Mar. 2016)	165.7 (Mar. 2016)	11,096	12,520	+12.8
(SBI FXT)	May 2012	131,688 (Mar. 2016)	35 (Mar. 2016)	1,690	1,892	+11.9

Change of the SBI Liquidity Market's Operating Income before allocation *2

(Unit: JPY million)



*1 Operating income of the SBI Group is SBI Liquidity Market's operating income before allocation which represents the amount before its allocation of profits to affiliated companies: SBI SECURITIES, SBI Sumishin Net Bank and SBI FXTRADE

*2 Operating income before allocation of the SBI Liquidity Market is operating income before allocation which represents the amount before its allocation of profits to affiliated companies: SBI SECURITIES, SBI Sumishin Net Bank and SBI FXTRADE

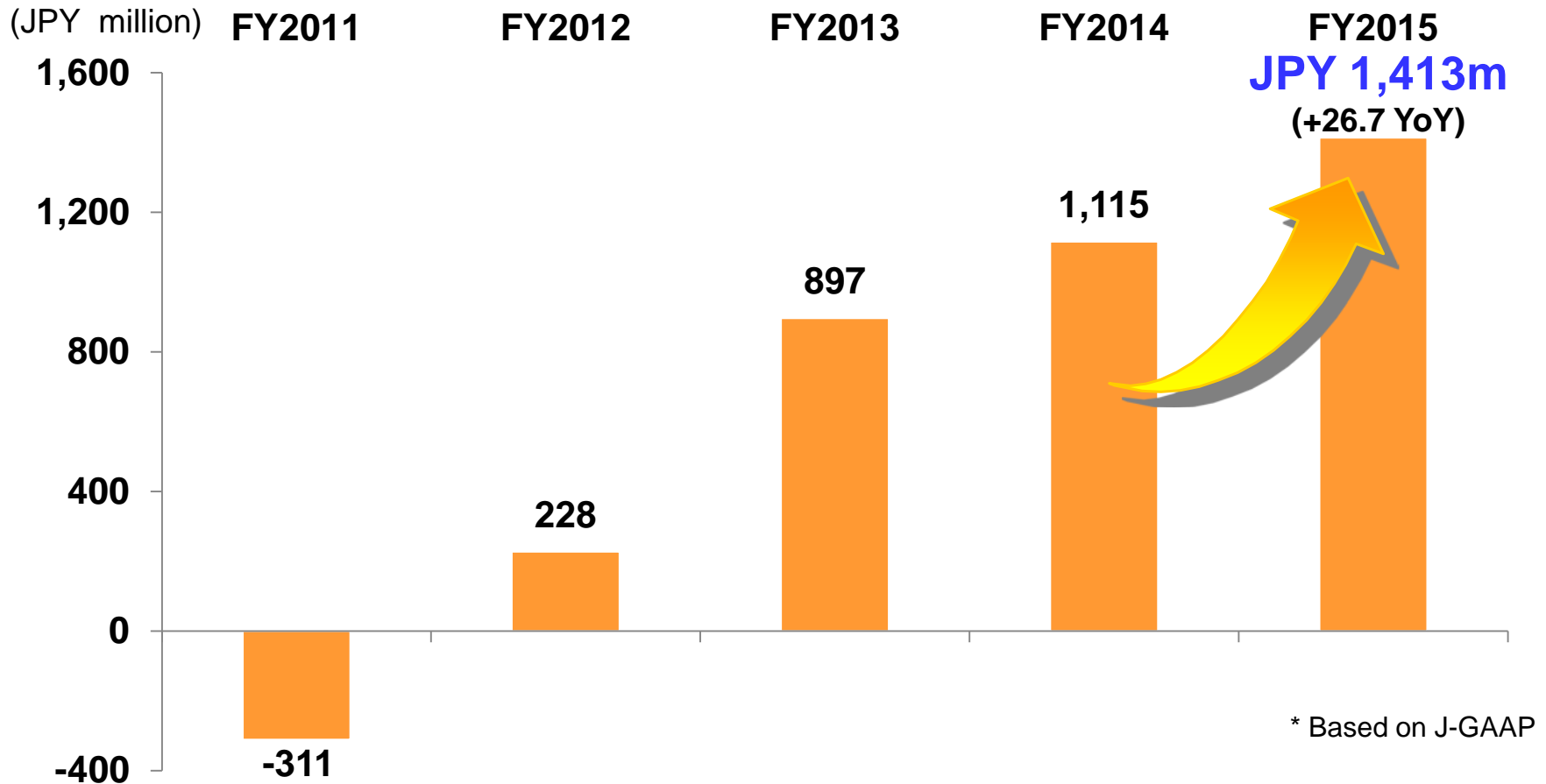
③ SBI Japannext (PTS)

- SBI Japannext's operating income for FY2015 increased by 26.7% year-on-year, to achieve record high.

SBI Japannext Steadily Expands with Operating Income and Achieved a Record of

JPY 1,413m for FY2015, up 26.7% Year-on-year

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



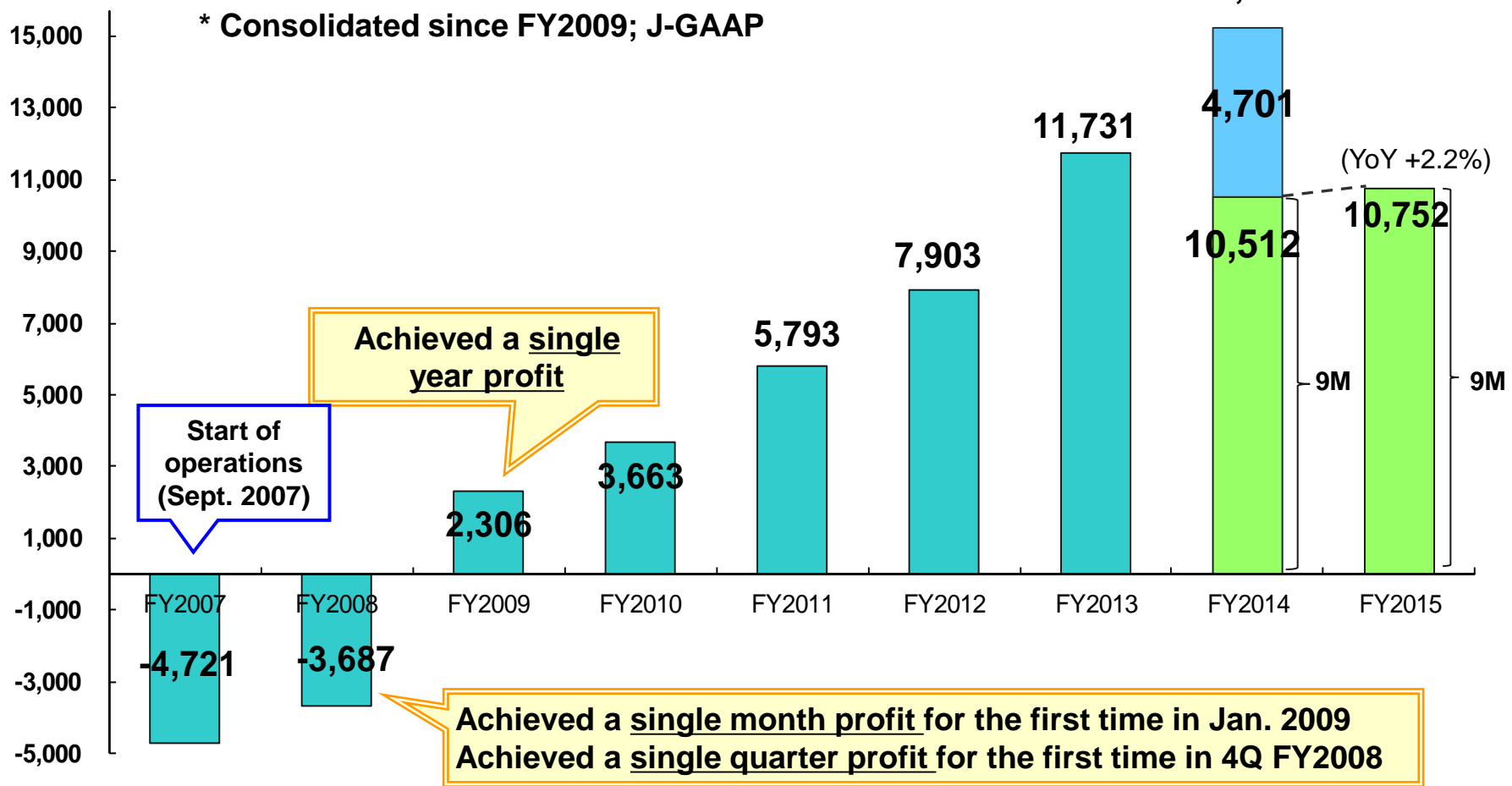
④ SBI Sumishin Net Bank

- FY2015 financial results announcement is scheduled for May 13, 2016
 - * SBI Sumishin Net Bank's IFRS based equity in earnings of affiliates was JPY 3,385m
- As of the end of Mar. 2016, accounts steadily increased to approx. 2.59 million accounts, with deposits of approx. JPY 3.4tn
- While the balance of housing loans continues to steadily expand, primarily with the “MR. Housing Loan” product, in order to expand the housing loans product offering, started a full-scale offering of “Flat 35” in Sept. 2015
- Balance of card loans surpassed JPY 100bn in Oct. 2015. Specific purpose loan products also steadily contributed to the balance, advancing the diversification of investment sources

Change in SBI Sumishin Net Bank's Ordinary Income After Founded

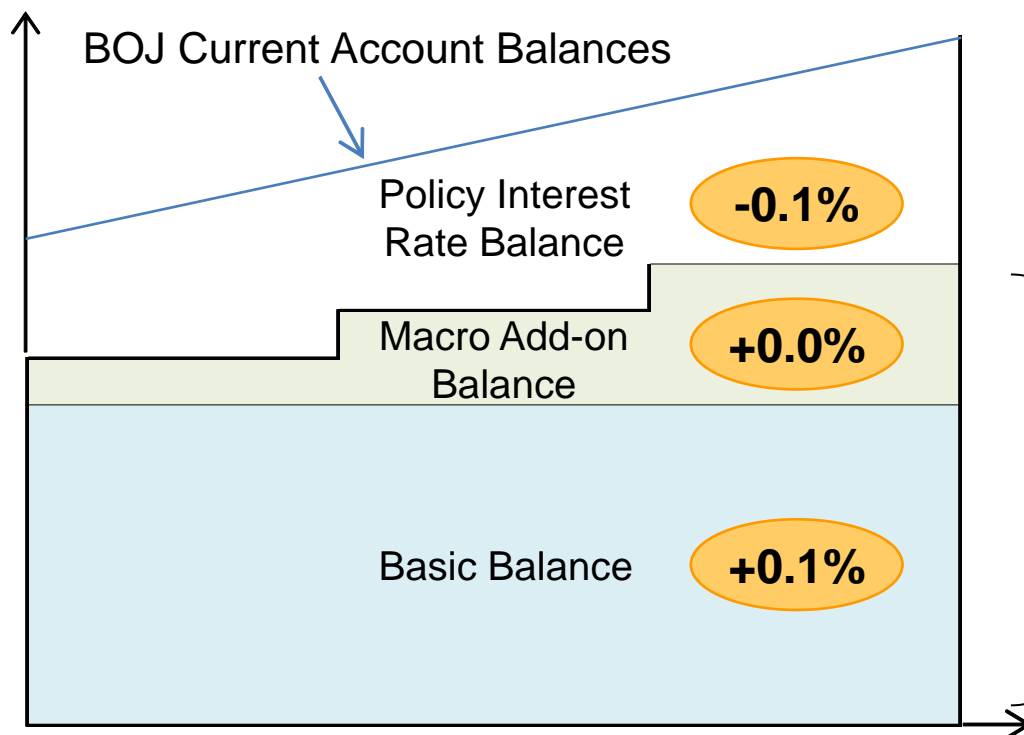
~FY2015 financial results announcement is scheduled on May 13, 2016~

(JPY million)



Effects from the BOJ's Adoption of Negative Interest Rate Policy

Direct influence



Since the current balance is within the range that the negative interest rate does not apply, SBI Sumishin Net Bank will **not be impacted directly**

SBI Sumishin Net Bank's BOJ Current Account Balances is within this range

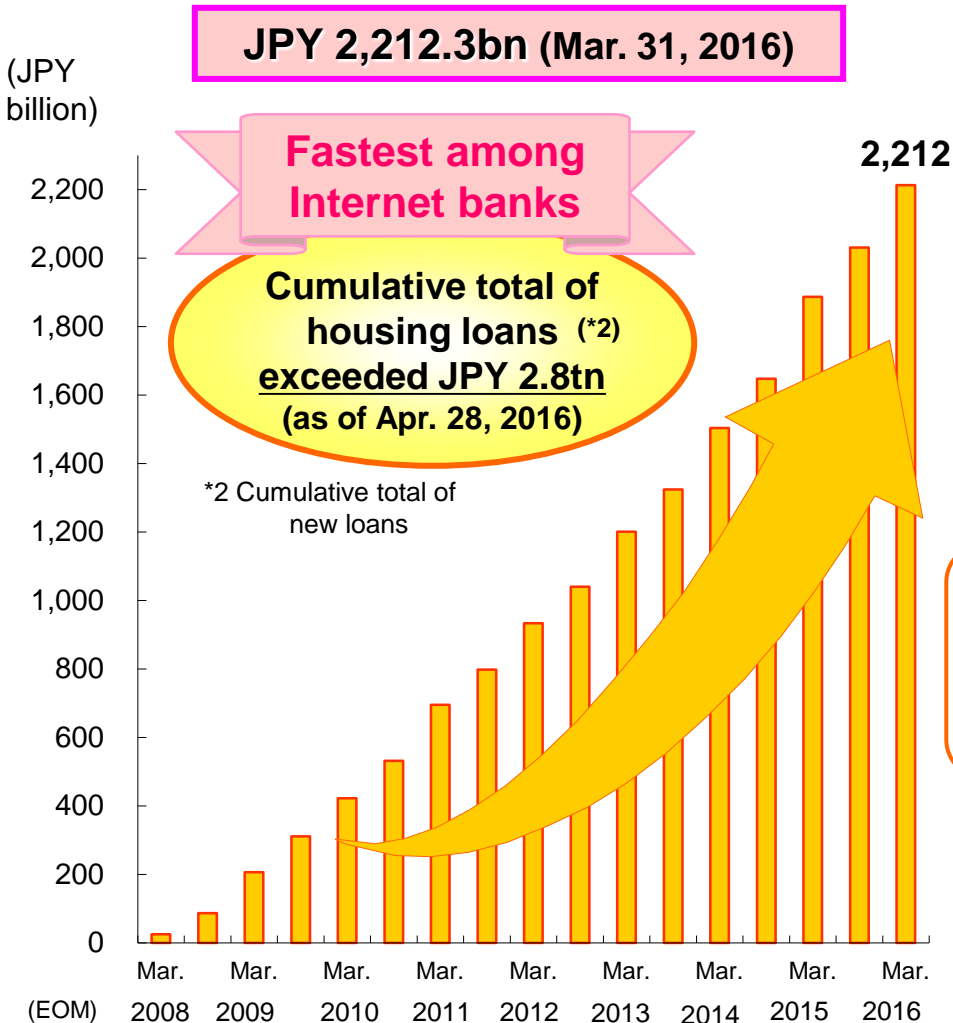
Indirect influence

Although income from management of funds is negatively affected by the decline in market interest rates accompanying adoption of the negative interest rate policy, since positive impact from factors such as an increase in housing loans refinancing demand and a decrease in fund procurement expenses can be expected, **the impact is limited.**

Diversification of Loans with Deposits Accumulating

Change in Balance of Housing Loans *1 (Mar. 2008 – Mar. 2016)

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



SBI Sumishin Net Bank’s housing loans business:

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



In order to expand the housing loans product offering, started a **full-scale offering of “Flat 35,” a long-term fixed-rate product** from Sept. 2015

In order to accommodate a further increase in the number of applications, promoting an increase in the number of alliance partners

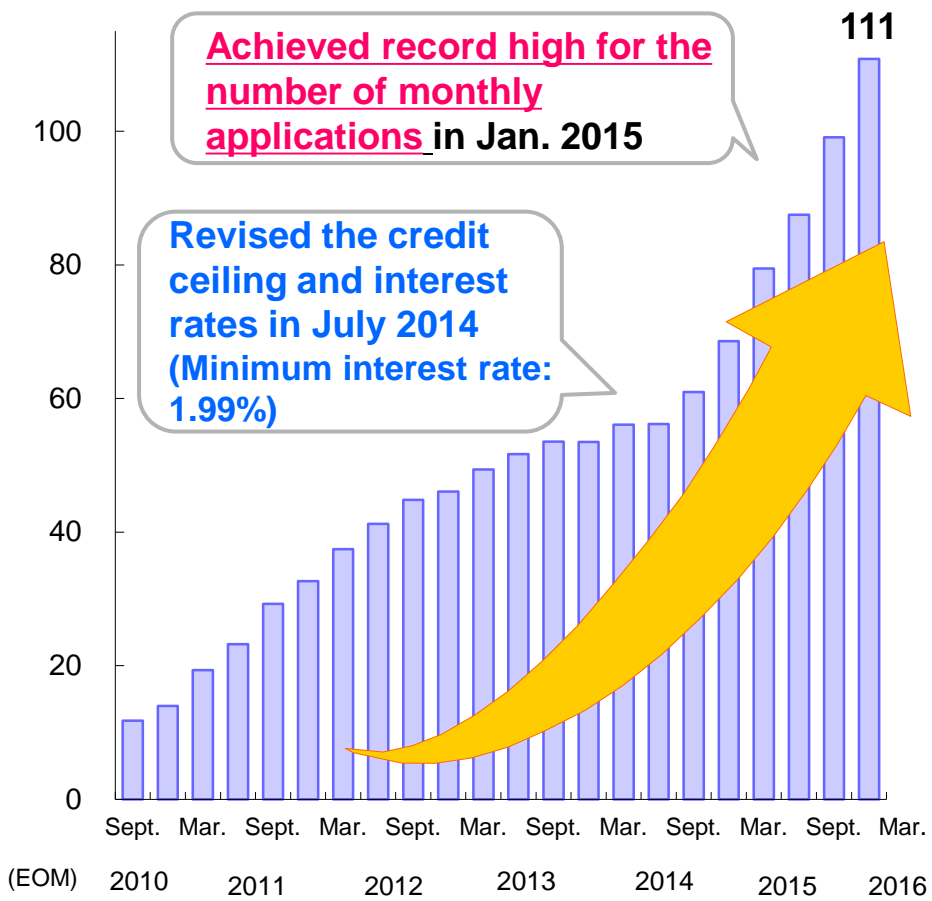
SBI Sumishin Net Bank's Loan Offerings, Such as Card Loans and Specific Loans Steadily Expanding

Changes in the Balance of Card Loans

(Sept. 2010-Mar. 2016)

JPY 110.8bn (Mar. 31, 2016)

(billion) Balance exceeded JPY 100bn on Oct. 19, 2015



Specific purpose loans
(as of the end of Mar. 2016)

Service launched in May 2013

➡ **Balance: JPY 13.2bn**

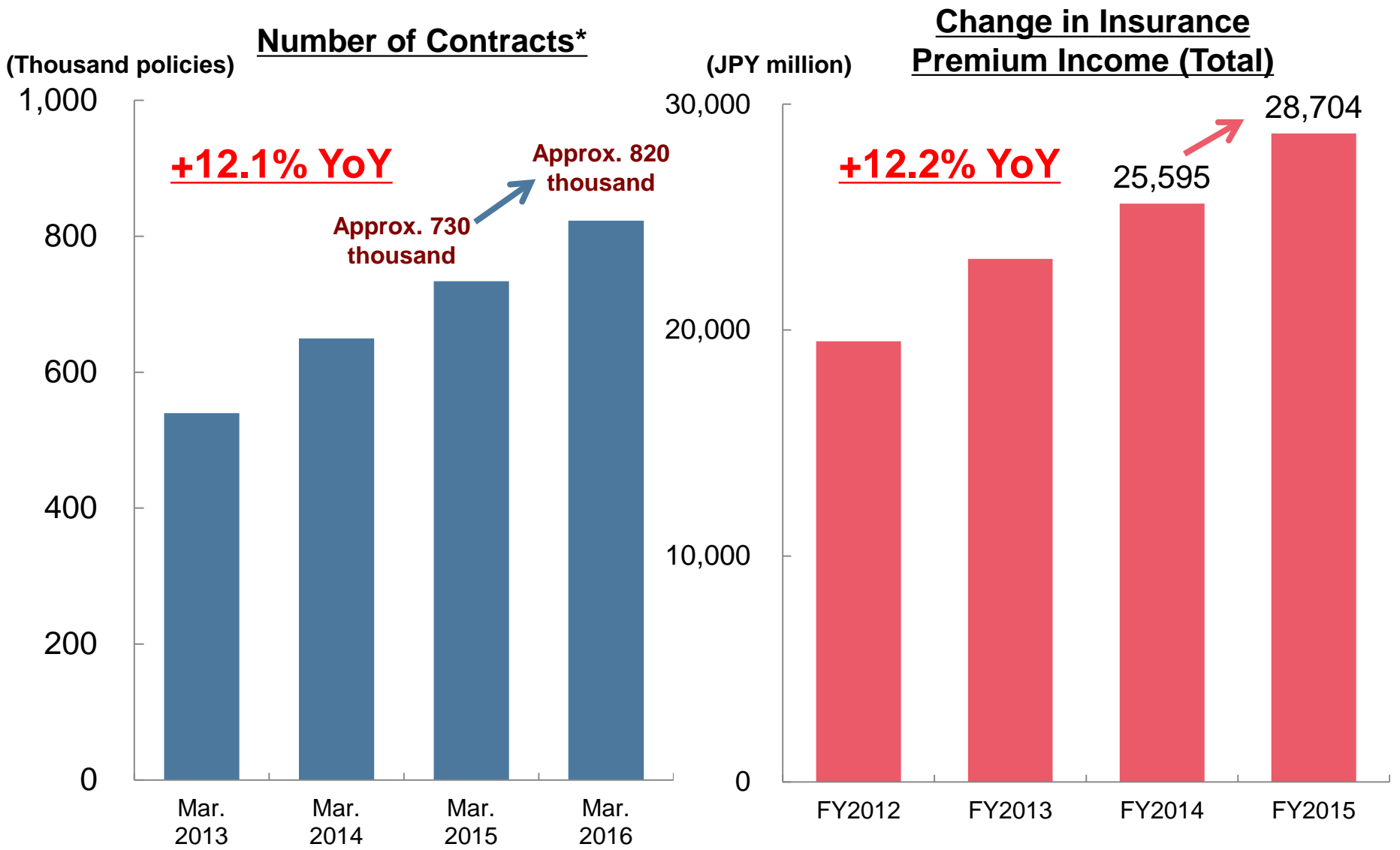
Balance of loans increased 1.4 times YoY

In addition to the card loans, which topped a balance of JPY 100bn, the specific purpose loan balance is also steadily increasing

⑤ Insurance Business

- SBI Insurance's auto insurance business continues to rapidly expand with the number of contracts up 12.1%, and direct premium written up 12.2% year-on-year
- SBI Insurance's combined ratio (based on direct figures) steadily decreased to 95.5%
- SBI Insurance achieved full-year profitability in the 9th fiscal year since its start of operations
- SBI Life Insurance sells new insurance products, which are term insurance and whole life medical insurance, from Feb.
- Number of contracts at SBI SSI and SBI IKI IKI SSI steadily increases

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



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

Combined Ratio (Based on Direct Figures) Continues to Decrease

(Unit: %)	FY2014	FY2015	YoY Change
Loss ratio^{*1}	76.1	<u>74.7</u>	<u>-1.4</u>
Operating expenses ratio^{*2}	23.3	<u>20.8</u>	<u>-2.5</u>
Combined ratio	99.4	<u>95.5</u>	<u>-3.9</u>

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

*2 Operating expenses ratio (%) = (Operating expenses except for reinsurance commissions) / Direct premium written X 100

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

Achieved Full-year Profitability in the Actual 8th Fiscal Year

Change in SBI Insurance's profit before income tax expenses(IFRS)

(Unit: JPY billion)

FY2012	FY2013	FY2014	FY2015
-5.0	-3.9	-0.6	0.1

Efficiency comparison of direct insurance companies' full-year profitability

(Unit: JPY million)

	SBI Insurance	Sony Assurance	Mitsui Direct General Insurance Company	AXA GENERAL INSURANCE COMPANY
Start of operation	Jan. 2008	Oct. 1999	June 2000	Nov. 1999
Achievement of full-year profitability*1	9 th fiscal year (FY2015)	8 th fiscal year (FY2006)	11 th fiscal year (FY2010)	10 th fiscal year (FY2008)
Direct premium written	29,055	50,112	32,833	30,418
Operating expenses ratio*2	20.8%	27.0%	22.1%	33.6%

SBI Insurance efficiently acquired insurance contracts while controlling its sales costs, such as advertising expenses

*1: the fiscal year of SBI Insurance is the term when it achieved full-year profitability on IFRS base

*2: Operating expense ratio=(Operating cost regarding underwriting insurance contracts and general administrative expenses + Agency commission and brokerage) / Direct premium written X 100

SBI Life Insurance has Sustained a Strong Business Performance Since Commencing Sales of Its New Products in Feb.

Results (FY2015)

Preliminary ordinary profit (based on J-GAAP): Approx. JPY 1.5bn

*SBI Life Insurance's FY2015 earnings announcement is scheduled on May 27, 2016

- Along with resuming underwriting of new insurance, some costs such as agency commission increased, but recorded an investment income owing to the sales of bonds, and thereby maintained profitability
- Number of policies in force: 110 thousand (annualized premium: JPY 8,863m)

SBI Life Insurance resumed underwriting new insurance from Feb., and commenced sales of whole life medical insurance and term insurance. Toward a full-scale sales expansion utilizing the Internet channel, various measures focused on the utilization of the Group synergies is planned

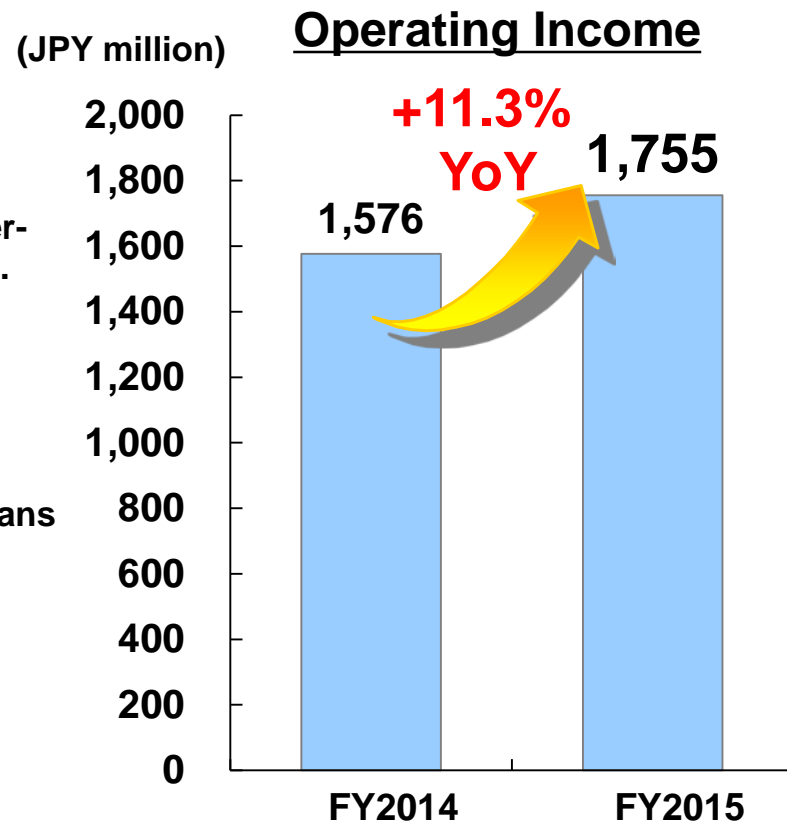
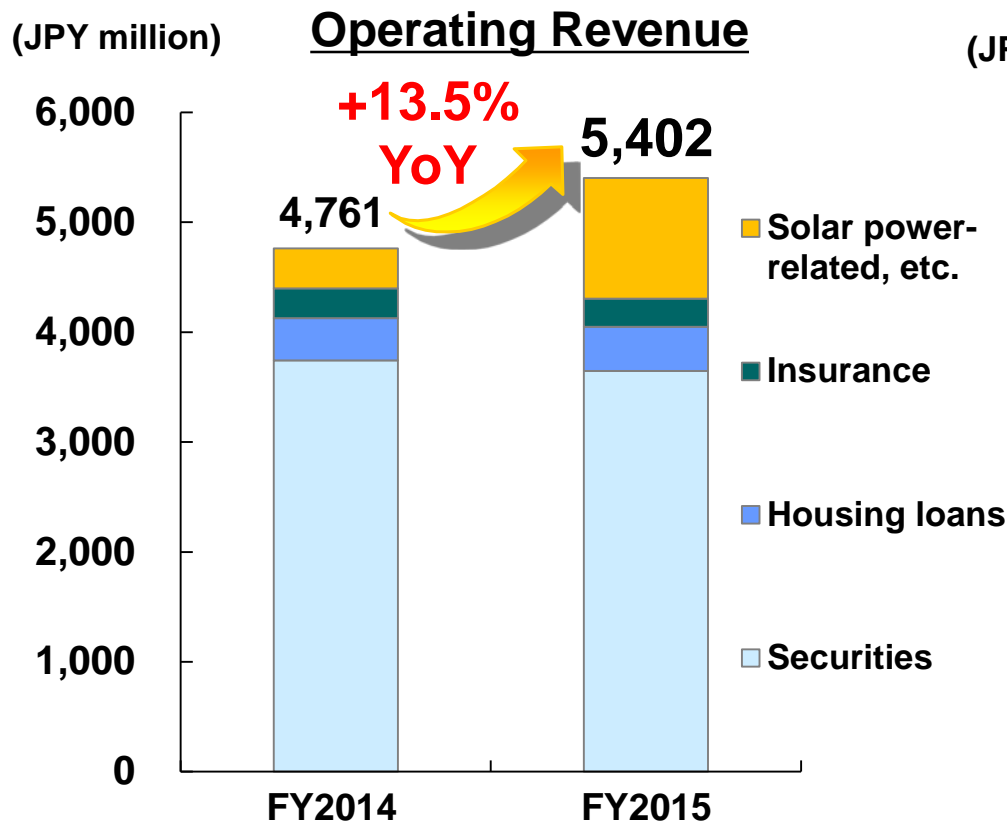
⑥ SBI MONEY PLAZA

- **Recorded operating income (J-GAAP) of JPY 1,755m for FY2015, which was an 11.3% increase from the JPY 1,576m for FY2014**
- **The total number of accounts reached 69,202, as of Mar. 31, 2016, and continues to increase steadily, with customer deposit assets totaling JPY 698.4bn, for a 24.6% increase as compared to Mar. 31, 2015**
- **Advancing the diversification of revenue sources, and pursuing growth with an emphasis on balance between each business toward overall profitability**
- **Toward a more efficient operation, proceeding to expand the market by introductory agreements, and the total number of partners' base* was 380, as of Mar. 31, 2016**

* Company's shops and bases handling SBI MONEY PLAZA's products, such as major accounting firms and branches of local banks

Achieved Increases in Both Revenue and Profits, Owing to the Diversification of Revenue Sources and an Efficient Operation

- Operating revenue achieved a record high of JPY 5,402m, up 13.5% year-on-year, owing to the strengthening of the revenue base (customer deposit assets: JPY 698.4bn) and the diversification of revenue sources.
- Operating income achieved JPY 1,755m, up 11.3% year-on-year, owing to the management of an efficient operation



(2) State of the Asset Management Business

Quarterly Profit/loss Related to the Change in Fair Value in FY2015

(IFRS, JPY billion)

	1Q (Apr. - June 2015)	2Q (July - Sept. 2015)	3Q (Oct. - Dec. 2015)	4Q (Jan. - Mar. 2016)
Profit/loss from the change in fair value and profit/loss on sales of investment securities	3.3	-4.8	1.6	16
<u>Unlisted Securities</u>	0.1	3.3	-2.2	0.3
<u>Listed Securities</u>	3.2	-8.1	3.8	15.7

<Reference>
Unrealized gains of
JPY 23.4.bn versus
acquisition cost

Number of Investee IPO and M&A Deals for FY2015

	Up to FY2014	Full-year FY2015	Full-year FY2016 prospect
IPO·M&A deals	174	16	21

16 investees conducted IPOs in FY2015

EXIT Date	Company	Market (Country)	EXIT Date	Company	Market (Country)
Apr. 8	SanBio	TSE Mothers	Aug. 17	Fine-tech	KOSDAQ (Korea)
Apr. 21	CRE	TSE 2nd Section	Sept. 11	Boditechmed	KOSDAQ (Korea)
May 29	GENOFOCUS	KOSDAQ (Korea)	Sept. 17	Brangista	TSE Mothers
June 26	Corestem	KOSDAQ (Korea)	Nov. 20	MG med	KOSDAQ (Korea)
June 29	Bio-core	KONEX (Korea)	Dec. 21	Vision	TSE Mothers
June 30	Utech	KOSDAQ (Korea)	Dec. 23	Egis Technology Inc.	TPEX (Taiwan)
July 9	Natural FNP	KONEX (Korea)	Dec. 24	SOCIALWIRE	TSE Mothers
July 28	Plumblin Life Sciences	KONEX (Korea)	Feb. 29, 2016	Qurient	KOSDAQ (Korea)

Assets Under Management of the SBI Group

(As of the end of Mar. 2016)

Private equity, etc. JPY 266.3bn (Including JPY 83.0bn of both cash and commitment amount to be paid in) (*3)

Breakdown by Industry	Amount
IT/Internet	26.2
Biotechnology/Health/Medical	56.8
Services	9.0
Materials/Chemicals	2.5
Environmental/Energy	19.8
Retail/Food	13.5
Construction/Real estate	2.1
Machine/Automobile	4.5
Finance	37.2
Others	11.4
Total	183.3

Breakdown by region	Amount
Japan	73.9
China	22.3
Korea	26.7
Taiwan	1.6
Southeast Asia	5.8
India	5.2
U.S.	43.9
Others	3.8
Total	183.3

Investment trusts, etc. JPY 259.0bn (*4)

Investment trusts	180.6
Investment advisory	74.4
Investment companies	4.0

*1 Calculated by the exchange rate as of the end of Mar. 2016

*2 Amounts are rounded to the nearest JPY 100m

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

*4 For funds that SBI Asset Management provides investment instruction to, if Morningstar Asset Management provides investment advisory services, assets are recorded in both "Investment trusts" and "Investment advisory," respectively, and such overlapping amounts totaled JPY 26.6bn

SBI Savings Bank of South Korea Financial Results for FY2015

FY2015 Results

(SBIH's consolidated accounts basis; IFRS)

(JPY million)

	1Q FY2015 (Apr. 2015 - June 2015)	2Q FY2015 (July 2015 - Sept. 2015)	3Q FY2015 (Oct. 2015 - Dec. 2015)	4Q FY2015 (Jan. 2016 - Mar. 2016)
Revenue	11,451	8,274	12,211	11,104
Profit for the period	2,020	1,346	1,658	1,401

Morningstar Japan's Operating Income, Ordinary Income and Net Income for FY2015 Achieved Historical Highs, and Both Sales and Profits Increased Significantly

Consolidated Results (J-GAAP)

(Unit: JPY million)

	FY2014 (Apr.2014 - Mar. 2015)		FY2015 (Apr.2015 - Mar. 2016)		YoY % change
	Amount	Income margin (%)	Amount	Income margin (%)	
Net Sales	4,190	-	4,669	-	+11.4
Operating Income	1,148	27.3	1,406 Historical high	30.1	+22.4
Ordinary Income	1,159	27.7	1,406 Historical high	30.1	+21.3
Net Income	716	17.1	918 Historical high	19.7	+28.2

[Appendix]

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

Corporate Value by Business Segment Valuation

Each Business Segment Valuation is Conservatively Estimated

■ **Sum of the values by segment** (as of Apr. 27, 2016) (JPY billion)

	Valuation of each segment (theoretical value)
Financial Services	575.1
Asset Management	185.4
Biotechnology-related	85.6
Subtotal	846.1 (+)
External Debt (SBIH's non-consolidated-base borrowing recorded on the consolidated B/S as of Sept. 2015)	-206.3
Sum Total	639.8 (+)*

- Business valuation per share: **JPY 3,768** ←

- Business valuation per share after deduction of external debt: **JPY 2,849** ←

Of the major Group companies, 11 are profitable companies that are not included in the above calculations (Total FY2015 Profit before Income Tax Expense: approx. JPY 3.0bn)

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

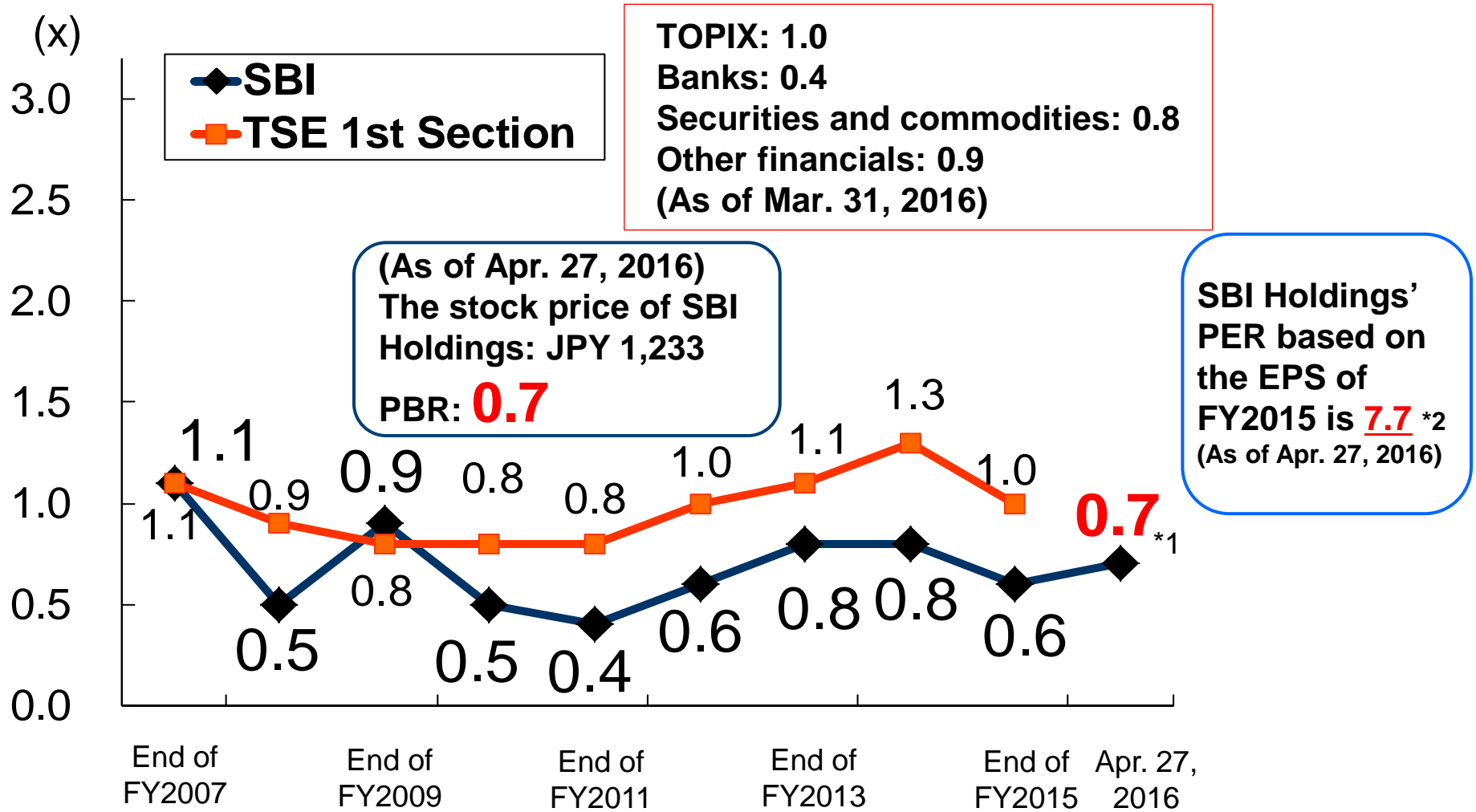
SBI Holding's Recent Stock Price

Market cap (based on the closing price on Apr. 27, 2016): [JPY 276.9bn](#)



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 Apr. 27, 2016 is calculated based on the BPS of the end of Mar. 2016.

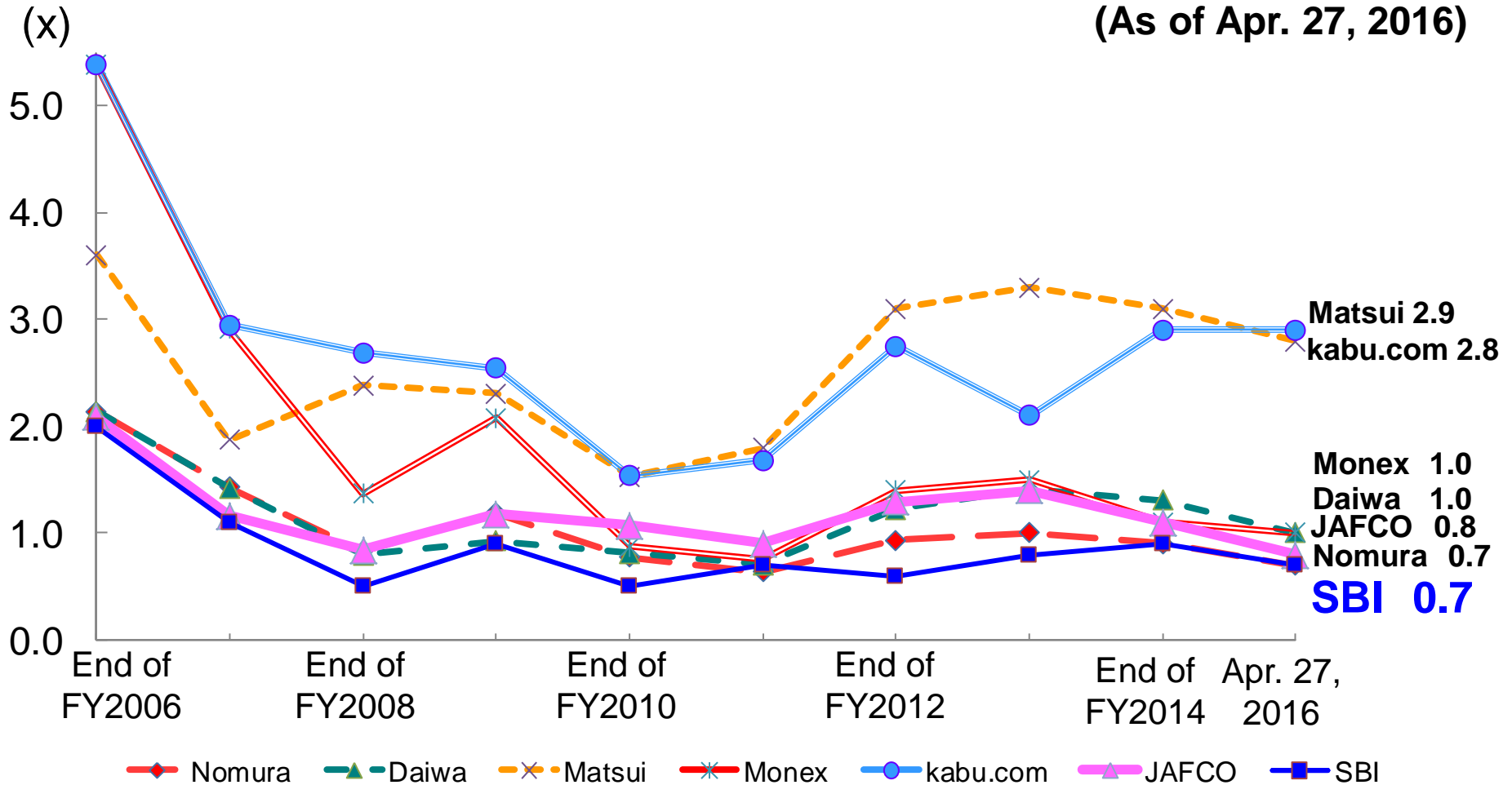
*2 EPS of FY2015 (JPY 160.83) is used to calculate SBI Holdings' PER.

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 Apr. 27, 2016)



*PBR for Apr. 27, 2016 is calculated based on the BPS of the end of Mar. 2016. As for Daiwa and Monex, the BPSs as of the end of Dec. 2015 are used for the calculation.

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

Valuation by Segment Estimated by SBI

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

① SBI SECURITIES

Valuation is conservatively estimated at JPY **434.6bn**

(based on the closing prices of Apr. 27, 2016)

Estimation of the valuation is as follows:

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

Compares the market cap and profits of a comparable public company, Matsui Securities.

Valuation of SBI SECURITIES is calculated as the mean of the two values [(A) and (B)] resulting from the equations below

Matsui's PER (*1) × SBI SECURITIES's Net Income (FY2015) ... (A)

Matsui's PBR (*2) × SBI SECURITIES's Net Asset (*3) (as of Mar. 31, 2016) ... (B)

*1 PER of Matsui is calculated by its net income per share for FY2015.

*2 PBR of Matsui is calculated by its BPS as of Mar. 31, 2016.

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

Valuation by Segment Estimated by SBI

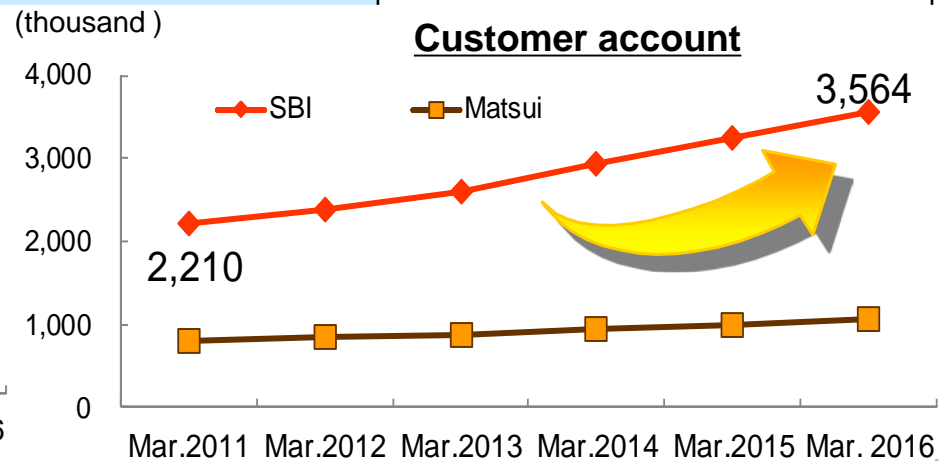
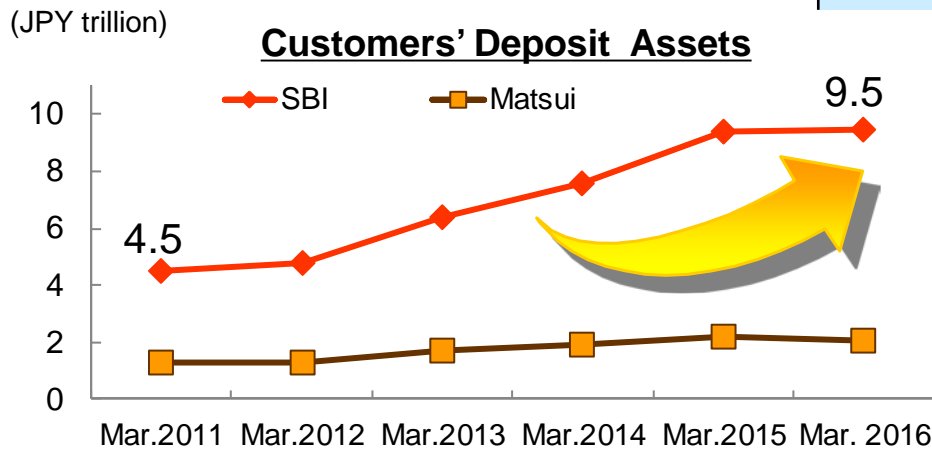
(1) Financial Services Business ① SBI SECURITIES -(ii)

Is SBI SECURITIES' valuation reasonable?

Comparison of SBI SECURITIES Matsui Securities

*Calculated by the closing prices of Apr. 27, 2016

(FY2015)	SBI SECURITIES	Matsui Securities
Valuation (market cap) *	JPY 434.6bn	JPY 258.0bn
Deposit assets (Dec. 2015)	No.1	JPY 2.0tn
Number of accounts (As of the end of Dec. 2015)	No.1	1.06 million
Share of individual stock brokerage trading value	No.1	14.1%
Operating income	No.1	JPY 21.7bn (down 1.5% YoY)
	JPY 39.9bn (up 15.0% YoY)	



Valuation by Segment Estimated by SBI

(1) Financial Services Business ② SBI Sumishin Net Bank

② SBI Sumishin Net Bank

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

JPY 97.0bn → JPY 48.5bn (based on the closing prices of Apr. 27, 2016)

(Shareholding of the SBI Group: 50.0%)

Estimation of the valuation is as follows:

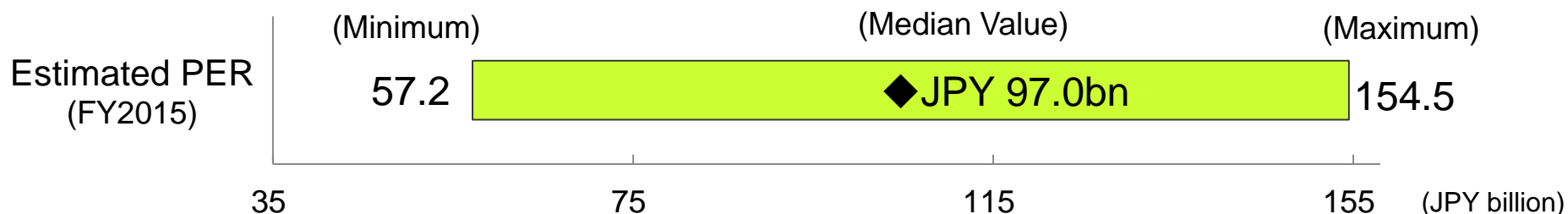
Calculated according to the **Comparable Public Company Analysis**

Compares the profits of comparable public companies of which the deposit balance exceeds JPY 3tn as of the end of Mar. 2015

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

* Compiled by the Company from the materials disclosed by the listed local banks of which the deposit balance exceeds JPY 3tn as of the end of Mar. 2015

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



Valuation by Segment Estimated by SBI

(1) Financial Services Business ③ SBI Liquidity Market

③ SBI Liquidity Market (including SBI FXTRADE)

Valuation is estimated at **JPY 57.8bn** (based on the closing price of Apr. 27, 2016)

Estimation of the valuation is as follows:

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

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

{(Money Partner's PER + MONEY SQUARE JAPAN's PER
+ INVAST Securities' PER)}(*)

× Net Income of SBI Liquidity Market (cons.) (FY2015)

3

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

④ SBI Japannext

Conservatively estimates the valuation of SBI Japannext at

USD 150m → **JPY 8.8bn** (based on the exchange rate as of Apr. 27, 2016)
(Shareholding of the SBI Group: 52.8%)

Valuation by Segment Estimated by SBI

(1) Financial Services Business

⑤ SBIH Comparison Website Business / ⑥ Other Financial Services Business

⑤ SBIH Comparison Website Business

Valuation is estimated at **JPY 23.9bn** (based on the closing price of Apr. 27, 2016)

Estimation of the valuation is as follows:

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

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

$$\frac{\{(\text{Kakaku.com's PER} + \text{NEWTON FINANCIAL CONSULTING' PER})\}^{(*)}}{2} \times \text{Provisional amount of net Income of SBIH Comparison Website Business (FY2015)}$$

* PER of Kakaku.com and NEWTON FINANCIAL CONSULTING is calculated by their estimated net income per share for FY2015.

⑥ Other listed equity method company in this business segment

	SBI's shareholding pct. (%)	Classification	Listed market	Market cap (JPY billion)	SBI's equity interest of market cap (JPY billion)
SOLXYZ	26.3	Equity method associate	JASDAQ	6.7	1.6

(Based on the closing price of Apr. 27, 2016)

* SBI's shareholding percentage corresponds to a figure based on the IFRS criteria that excludes a percentage of outside shareholder's interest of subsidiary companies and subsidiary funds of the Group.

Valuation by Segment Estimated by SBIH

(1) Financial Services Business: Total Valuation of the Businesses

① SBI SECURITIES

(based on the closing prices of Apr. 27, 2016)

Upon comparison with similar listed companies calculated conservatively as **JPY 434.6bn**

② SBI Sumishin Net Bank

(based on the closing prices of Apr. 27, 2016)

Estimated the valuation of SBI Sumishin Net Bank that has high growth potential in terms of profitability and scale at JPY 97.0bn → **JPY 48.5bn** (Shareholding of the SBI Group: 50.0%)

③ SBI Liquidity Market (cons.)

(based on the closing prices of Apr. 27, 2016)

Upon comparison with similar listed companies calculated as **JPY 57.8bn**

④ SBI Japannext

(based on the closing prices of Apr. 27, 2016)

Upon the conservative estimated valuation of USD 150m → **JPY 8.8bn**

(Shareholding of the SBI Group: 52.8%)

⑤ SBI Comparison Website Business

(based on the closing prices of Apr. 27, 2016)

Upon comparison with similar listed companies calculated as **JPY 23.9bn**

⑥ Total market cap upon SBIH's shareholding of a listed equity method company in this segment

The market cap of SOLXYZ (Shareholding of the SBI Group) **JPY 1.6bn**

(based on the closing prices of Apr. 27, 2016)

Total of the valuation above: JPY 575.1bn (The sum according to the SBI Group's shareholding)

Valuation by Segment Estimated by SBIH

(1) Financial Services Business

⑦ Other Financial Services Businesses (Profitable Entities)

There are many other profitable business entities in this segment

	Business lineup	Profit before income tax expense for FY2015 (JPY billion)	SBI's shareholding pct. (%)
SBI MONEY PLAZA	Insurance agency, financial instruments intermediary service provider, housing loan agency	1.8	100.0
SBI Life Insurance *1	Life insurance	1.5	100.0
SBI Benefit Systems	Operational management of defined-contribution pension	0.3	87.0

Based on the “Selection and Concentration” policy for the Financial Services Business, regardless of profit contributions, a sale, an IPO or reorganizations within the Group of non-core businesses will be accelerated, though a judgment of the existence or strength of synergies with one of the three core businesses

 Proceeds generated may be appropriated to strengthen the three core businesses

*1 Considering the particularity of life insurance business, presents the recurring income based on J-GAAP, not that of based on IFRS.

*2 SBI's shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group. 146

Valuation by Segment Estimated by SBIH

(2) Asset Management Business -①

Asset Management Business

Valuation for this segment is conservatively estimated at approx. JPY 185.4bn

<Reference>

JAFCO's Market Cap: **JPY 158.6bn** (based on the closing price of Apr. 27, 2016)

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

(i) Value of holding securities (at the end of Mar. 2016) Approx. JPY 83.2bn

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

(ii) Value of SBI Investment (based on the closing price of Apr. 27, 2016)

(* Valuation excluding assets such as securities hold) Approx. JPY 10.0bn

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

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

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

*PER of JAFCO is calculated by the estimated net income per share for FY2016.

The estimated net income per share used in the calculation is the average between that of Japanese company handbook and Nikkei Kaisha Joho.

Valuation by Segment Estimated by SBIH

(2) Asset Management Business -②

(iii) Value of SBI Savings Bank (based on the closing price of Apr. 27, 2016)

Estimates the valuation of SBI Savings Bank at JPY 67.8bn

→ JPY 67.1bn

(Shareholding of the SBI Group: 99.0%)

Estimation of the valuation is as follows:

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

Compares the asset sizes of comparable public companies, including savings banks and local banks in Korea

Median value of PBR of listed savings banks and local banks in Korea^{*1}

×

Balance of SBI Savings Bank's substantive equity^{*2}
(As of the end of Mar. 2016)

*1 PBR of listed savings banks and local banks in Korea is calculated by recent equity per share

*2 Balance of substantive equity is the SBI Savings Bank's equity considering goodwill

*3 SBI's shareholding percentage corresponds to a figure based on the IFRS criteria that excludes a percentage of outside shareholder's interest of subsidiary companies and subsidiary funds of the Group.

Valuation by Segment Estimated by SBIH

(2) Asset Management Business- ③

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

	SBI's shareholding pct. (%)	Classification	Listed market	Market cap (JPY billion)	SBI's equity interest of market cap (JPY billion)
Morningstar Japan	49.6	Consolidated subsidiary	JASDAQ	25.7	12.7
SBI AXES	73.8	Consolidated subsidiary	KOSDAQ of KRX	11.1*	8.2
SBI Investment KOREA	43.9	Equity method associate	KOSDAQ of KRX	9.7*	4.2
Sum of the market cap of listed subsidiaries and equity method associates				46.4	<u>25.1</u>

(Based on the closing price of Apr. 27, 2016. *Calculated by the exchange rate as of Apr. 27, 2016.)

* SBI's shareholding percentage corresponds to a figure based on the IFRS criteria that excludes a percentage of outside shareholder's interest of subsidiary companies and subsidiary funds of the Group.

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

	Business lineup	Profit before income tax expense for FY2014 (JPY billion)	SBI's shareholding pct. (%)
SBI Estate Finance	Real estate secured loans	0.3	100.0

Valuation by Segment Estimated by SBIH

(3) Biotechnology-related Business

Biotechnology-related Business


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

Total valuation of the Biotechnology-related Business is estimated at approx. JPY 85.6bn

① SBI Pharmaceuticals

Estimation of the valuation is as follows:

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

 Based on SBIH's equity interest (excluding external holdings) as of the end of Mar. 2016, the amount is calculated to be approx. JPY 49.2bn

Besides, the total shareholder value of this business includes the estimated shareholder value of 1 IPO scheduled company and 1 listed company, with the estimation based on SBIH's shareholding of paid-in capital and the market values of operational investment securities that SBIH owns.

② Other companies in the Biotechnology-related Business

SBI Biotech (SBI's shareholding percentage*: 39.2%)

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

* SBI's shareholding percentage corresponds to a figure based on the IFRS criteria that excludes a percentage of outside shareholder's interest of subsidiary companies and subsidiary funds of the Group.

(2) State of the Company

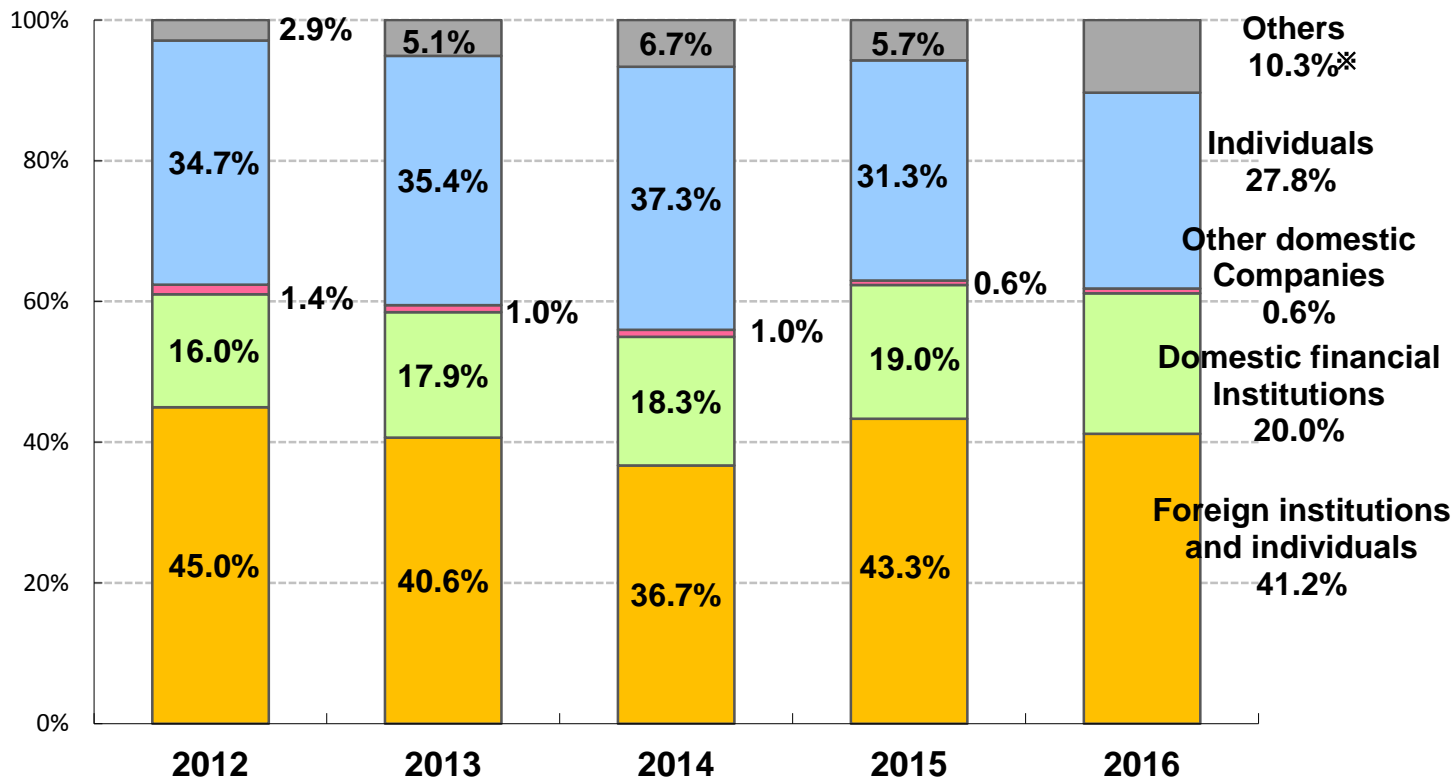
SBI Holdings' Shareholder Composition

(as of the end of Each Fiscal Year)



The total number of shareholders is 145,588,
of which the number of shareholders who hold 1 unit or more is 89,986.
Shareholding ratio of domestic and foreign institutional investors is 61.2%

Shareholder Composition

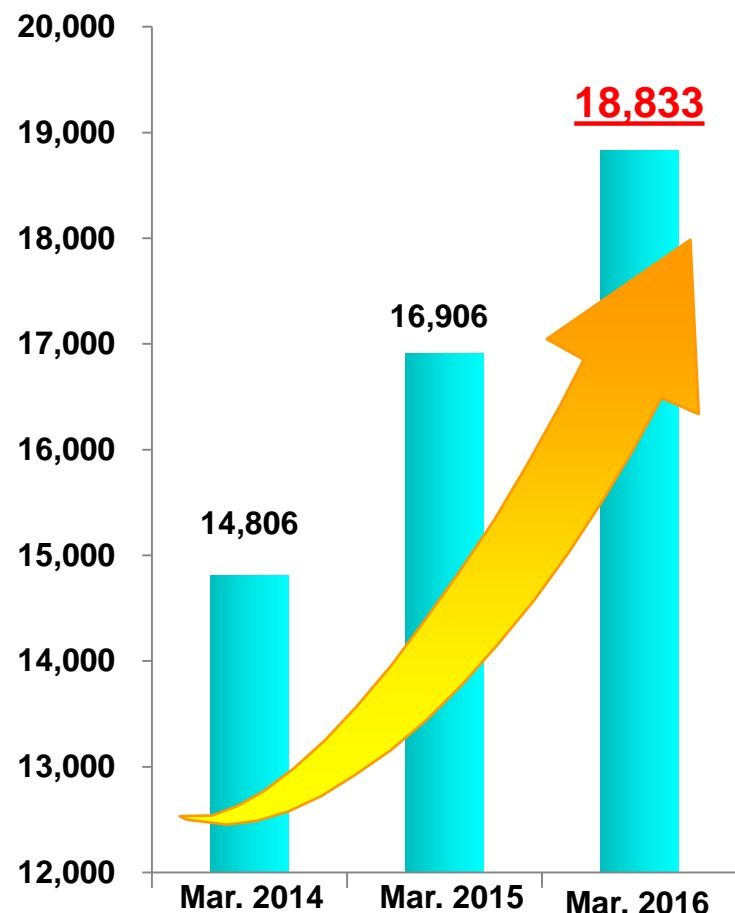


* "Others" include treasury stock (7.5%) 52

The SBI Group's Customer Base

Breakdown of the Customer Base (As of the end of Mar. 2016)^{*1,2}

(Thousand)



(Thousand)

SBI SECURITIES	(No. of accounts)	3,564
SBIH InsWeb	(No. of customers)	7,820
E-LOAN	(No. of customers)	1,976
MoneyLook	(Total no. of customer registrations)	932
Morningstar Japan	(New portfolio customer registrations)	149
SBI Card	(Valid cards issued)	68
SBI Sumishin Net Bank	(No. of accounts)	2,586
SBI Insurance	(Total no. of contracts) ^{*3}	843
SBI Life Insurance	(Total no. of contracts)	110
Others (SBI Point etc.)		785
Total		18,833

*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	Mar. 31, 2016
Consolidated subsidiaries (companies)	142	147
Consolidated partnerships (partnerships)	31	31
Total consolidated subsidiaries (companies)	173	178
Equity method companies (companies)	39	33
Total Group companies (companies)	212	211

Number of consolidated employees

	Mar. 31, 2015	Mar. 31, 2016
Total employees (persons)	6,094	5,480 *

* 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.

(3) The Asset Management Business' Financial Information by Segment

Structure of the Asset Management Business

- Owing to accounting requirements, the Asset Management Business has three completely different recognitions: fair value, consolidation and equity method
- In addition, a asset management services business was newly established in FY2015

[Structure of the Asset Management Business]

SBI's Asset Management Business

① Securities held are measured at fair value

Private equity investment

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

② Recognized through consolidation

Consolidated subsidiaries among the companies acquired to manage and consult

- NARUMIYA INTERNATIONAL
- SBI AXES etc.

③ Recognized through consolidation or equity method

Overseas financial services business

- SBI Savings Bank
- Phnom Penh Commercial Bank etc.

④ Recognized through consolidation

Asset management services business

- Morningstar Japan etc.
- SBI Global Asset Management (scheduled)

Analysis of Each Segment of the Asset Management Business

-① Private equity investment-

[Consolidated statement of financial position]

(IFRS; JPY billion)

	Mar. 31, 2015	Mar. 31, 2016
Cash and cash equivalents	18.9	22.2
Securities	118.7	120.0
Other assets	27.4	19.0
Total assets	165.0	161.2
Intragroup borrowings	21.4	15.1
Other liabilities	5.9	8.8
Total liabilities	27.3	23.9
Equity capital equivalent	96.7	93.8
Non-controlling interests* ¹ (Mainly interests of external shareholders of consolidated funds)	41.0	43.5
Total equity	137.7	137.3
Total liabilities and equity	165.0	161.2

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

[Consolidated statement of income]

(IFRS; JPY billion)

	FY2014	FY2015
Revenue	(0.1)	18.8
Profit / loss related to FVTPL	(4.4)	16.2
Fee from non-cons. funds* ²	1.3	0.7
Others (FX gain etc.)	3.0	1.9
Expense (including expense related to allowance etc.)	(7.5)	(7.0)
Profit before income tax expense	(7.4)	11.7
Profit for the period	(10.1)	8.1
Attributable to owners of SBIH	(5.2)	4.8
Non-controlling interests	(4.9)	3.3

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

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

- **Marketable securities account for approximately 40% of overall consolidation (the rest is SBI Savings Bank, SBI Life Insurance, etc.) and nearly all of the profits or losses are recognized upon the change in fair value as FVTPL.**

Analysis of Each Segment of the Asset Management Business

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

[Consolidated statement of financial position]

(IFRS; JPY billion)

	Mar. 31, 2015	Mar. 31, 2016
Cash and cash equivalents	14.0	13.5
Trade accounts receivable	18.0	16.1
Inventories (products)	2.5	2.8
Intangible assets	11.4	10.2
Other assets	7.2	7.9
Total assets	53.1	50.5
Total liabilities	25.2	26.1
Equity capital equivalent	26.6	23.2
Non-controlling interests	1.3	1.2
Total equity	27.9	24.4
Total liabilities and equity	53.1	50.5

[Investee companies consolidated]

- NARUMIYA INTERNATIONAL(apparel company)
- SBI AXES(settlement service company)
- CEM Corporation(Real estate-secured loans)

[Consolidated statement of income]

(IFRS; JPY billion)

	FY2014	FY2015
Revenue	26.2	32.7
Profit before income tax expense	0.8	0.3
Profit for the period	0.4	0.4
Attributable to owners of SBIH	0.2	0.1
Non-controlling interests	0.2	0.3

- Whereas all of investees are uniformly consolidated under IFRS, there is an exclusion rule under J-GAAP.
- Although the accounting treatment under IFRS differs from J-GAAP, the impact on the Company's consolidated financial statements is insignificant.

* CEM Corporation, an operational investee company, was classified as the Real Estate Finance Business within the Financial Services Business, but was transferred to the Asset Management Business, owing to the sale of SBI Mortgage, which was the core company of the Real Estate Finance Business. The FY2014 results are adjusted retroactively, assuming that CEM Corporation was a component of the Asset Management Business from the beginning of FY2014.

Analysis of Each Segment of the Asset Management Business

-③ Overseas financial services business-

[Consolidated statement of financial position]

(IFRS; JPY billion)

	Mar. 31, 2015	Mar. 31, 2016
Cash and cash equivalents	49.5	38.6
Trade accounts receivable	294.9	331.5
Intangible assets	127.6	112.2
Other assets	60.2	60.7
Total assets	532.2	543.0
Customer deposits	361.1	386.0
Other liabilities	45.5	10.4
Total liabilities	406.6	396.4
Equity capital equivalent	124.6	145.8
Non-controlling interests	1.0	0.8
Total equity	125.6	146.6
Total liabilities and equity	532.2	543.0

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

[Consolidated statement of income]

(IFRS; JPY billion)

	FY2014	FY2015
Revenue	41.7	43.2
Profit before income tax expense	14.3	4.6
Profit for the period	13.7	5.2
Attributable to owners of SBIH	12.7	5.1
Non-controlling interests	1.0	0.1

- The results of SBI Savings Bank (Korea) are primarily reflected in the financial statements.
- Net interest income, which reflects the earnings of the loan business, equivalent to the difference between interest income from operational loan receivables and interest cost for the customer deposits, resulted JPY 25.3bn (increase of 31.2% YoY) for FY2015, steadily strengthening of the revenue base.

Analysis of Each Segment of the Asset Management Business

-④ Asset management services business-

[Consolidated statement of financial position]

(IFRS; JPY billion)

	Mar. 31, 2015	Mar. 31, 2016
Cash and cash equivalents	6.6	7.8
Financial assets	1.2	0.8
Intangible assets	4.1	4.1
Other assets	0.3	0.7
Total assets	12.2	13.4
Total liabilities	0.7	0.9
Equity capital equivalent	7.5	8.2
Non-controlling interests	4.0	4.3
Total equity	11.5	12.5
Total liabilities and equity	12.2	13.4

- Morningstar Japan and its subsidiaries are the main constituent companies
- Planning the establishment of SBI Global Asset Management as an intermediate holding company of the business

[Consolidated statement of income]

(IFRS; JPY billion)

	FY2014	FY2015
Revenue	3.6	4.1
Profit before income tax expense	1.2	1.4
Profit for the period	0.8	0.9
Attributable to owners of SBIH	0.4	0.4
Non-controlling interests	0.4	0.5

- The results of Morningstar Japan are primarily reflected in the financial statements.
- With the establishment of SBI Global Asset Management, the Group's asset management operations are expected to be strengthened

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