

Housing and Real Estate Business

Utilizing Financial Services Involving Real Estate for Rapid Growth in the Scope of Activities

Principal Companies in the Housing and Real Estate Business

SBI Holdings, Inc. (Real Estate Business Division)	
SBI Mortgage Co., Ltd.	Provision of long-term fixed-interest securitized housing loans
SBI Planners Co., Ltd.	Architecture/construction, property design and consulting for real estate purchases and financial planning
CEM Corporation	Provision of real estate-secured loans for individuals and companies
SBI ArchiQuality Co., Ltd.	Provision of housing quality evaluation
SBI Guarantee Co., Ltd.	Offering various guarantee services
Zephyr Co., Ltd.	Real estate transactions and brokerage, consulting effective use of land, etc.

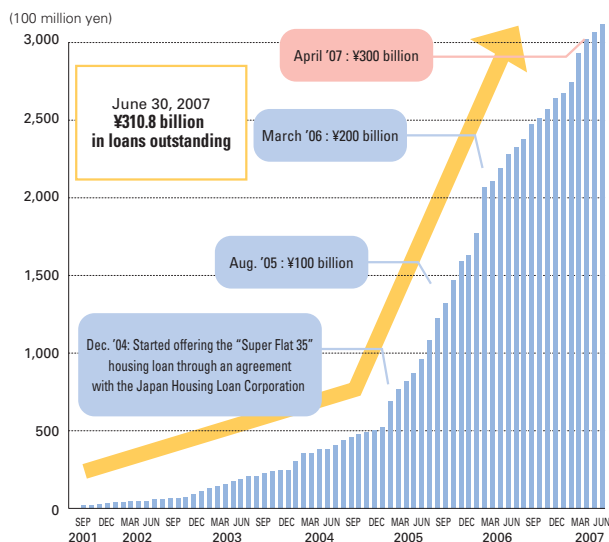
The Housing and Real Estate Business has many aspects of its business that are closely linked to finance, including the securitization of real estate. Consequently, there are many opportunities to utilize the same resources between the SBI Group's financial and real estate businesses. We continue to build a distinctive business ecosystem in the Housing and Real Estate Business, and our objective is to pursue meaningful synergies with the SBI Group's established business ecosystems.

Major Events in Development of Housing and Real Estate Ecosystem

2005	Apr.	Megabrain, Inc. was renamed SBI Partners Co., Ltd.
	May.	SBI Partners' subsidiary was renamed SBI Planner Co., Ltd.
	Aug.	SBI Partners Co., Ltd. became a subsidiary of SBI Holdings, Inc.
	Sept.	Zephyr Co., Ltd. became an equity-method affiliate
2006	Feb.	Established SBI Guarantee Co., Ltd. to offer full line of loan guarantees
	Mar.	SBI Holdings, Inc. merged with SBI Partners Co., Ltd.
		Tozai Asset Management Co., Ltd. became an equity-method affiliate
	July.	SBI Guarantee Co., Ltd. started a rent guarantee service
		Started "SBI Real Estate Guide," a comprehensive portal website for housing and real estate information
2007	Jan.	Signed MOU for business alliance with Merrill Lynch Japan Securities Co., Ltd.
	Feb.	Acquired shares of CEM Corporation, which provides real estate-secured loans
	Mar.	SBI ArchiQuality Co., Ltd. registered as housing quality evaluation organization
		Established comprehensive business alliance with Living Corporation, Inc.
	Apr.	SBI Mortgage's housing loan execution balance surpassed ¥300 billion

Steady Growth of Housing Loans at SBI Mortgage; Loans Outstanding Rise to ¥310.8 Billion* (June 30, 2007)

*Includes real estate investment loans
SBI Mortgage ranks third out of about 300 Japanese financial institutions in the share of the "Flat 35" loan product (loans securitized by the Japan Housing Finance Agency).
(by accumulated number of loans as of April 30, 2007)



SBI Mortgage Continues to Offer The Industry's Lowest Level of Interest Rates

SBI Mortgage has consistently offered long-term fixed-rate housing loans at the lowest level of interest rates of any mortgage lender in Japan. The core product is "Flat 35," a loan extended in conjunction with the Japan Housing Finance Agency, and as of July 2007, the annual interest rate on this loan was at 2.961%. Owing to the popularity of this loan, SBI Mortgage has achieved strong growth in loans outstanding, which amounted to ¥310.8 billion at the end of June 2007. Furthermore, this company used its securitization expertise to introduce the "Real Estate Investment Loan" in October 2006. By the end of June 2007, the balance of this loan had already climbed to ¥14.3 billion.

SBI Mortgage plans to establish a nationwide network of SBI Housing Loan shops by using a franchise system. The first franchised shop opened in Nagoya in February 2007, and as of July 31, franchises opened in Fukuoka, Hamamatsu, Kagoshima and Sapporo. SBI Mortgage began operations in 2001 as Japan's first mortgage bank. Since then, the company has relied primarily on direct sales using the Internet, but by establishing a network of franchised housing loan shops, the company plans to gain the ability to sell a variety of financial products in addition to housing loans.