

The SBIH Group had 74 consolidated subsidiaries (including 19 partnerships) and eight equity-method affiliates as of March 31, 2008.

The SBIH Group has five core businesses: Asset Management, which primarily involving the operation of investment funds; Brokerage & Investment Banking, mostly the securities business; Financial Services, which offering a variety of innovative financial services; Housing and Real Estate, involving primarily real estate investments and development; and System Solution, a business sector newly established in FY2007. As an Internet-based comprehensive financial group, which is centered on financial businesses but includes non-financial operations as well, the SBIH Group is positioned for future growth as it continues to pursue the convergence of finance and the Internet.

The **Asset Management Business** achieved solid growth owing to a strong performance by investments in Asia. Operating revenues were up 55.3% to ¥58.0 billion and operating income was ¥16.5 billion compared with a ¥3.2 billion loss a year earlier, the result of one-time factors associated with the start of investment fund consolidation.

In the **Brokerage & Investment Banking Business**, operating revenues increased 3.2% to ¥68.5 billion, despite the global downturn in stock markets. This owes to the diversification of the profit structure of SBI SECURITIES Co., Ltd.*, which has a dominant position in Japan's retail securities market in terms of number of customers and market share. Operating income

decreased 15.8% to ¥20.5 billion primarily because of a reduction in brokerage commission rates.

In the **Financial Services Business**, a consistent performance by existing businesses produced a 19.4% increase in operating revenues to ¥22.5 billion. However, operating income fell 74.1% to ¥0.8 billion as a substantial volume of start-up expenses at new businesses held back earnings.

In the **Housing and Real Estate Business**, a significant increase in revenues from real estate operations, primarily real estate development, caused operating revenues to surge 212.7% to ¥75.1 billion and operating income to climb 583.7% to ¥8.1 billion.

*Name changed from SBI E+TRADE SECURITIES Co., Ltd. in July 2008.

Business Segments

Ratio of Operating Revenues to Total Consolidated Operating Revenues (Share of consolidated revenues in FY2006 and 2007)

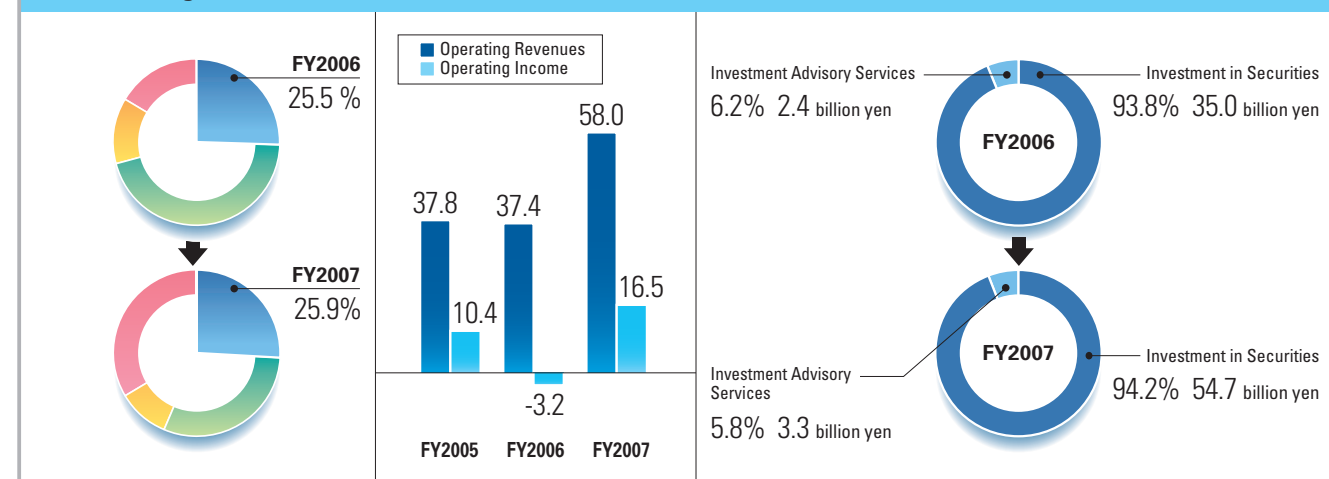
Operating Results

(billion yen)

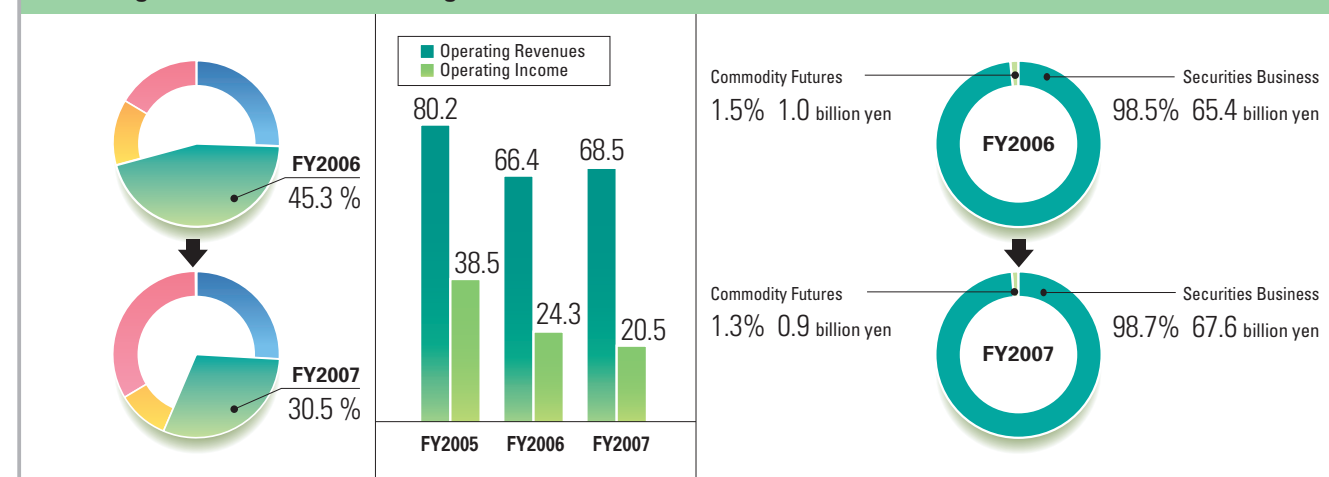
Operating Revenues by Segments

(Share of consolidated revenues in FY2006 and 2007)

Asset Management Business



Brokerage and Investment Banking Business



Note: In prior periods, SBIH Group's business was divided into three segments: Asset Management Business, Brokerage and Investment Banking Business, Financial Services Business. Effective from FY2007, the Group's business was divided into five segments: Asset Management Business, Brokerage and Investment Banking Business, Financial Services Business, Housing and Real Estate Business, and System Solution Business. FY2006 sales are restated to comply with FY2007 presentation.

Business Segments

Ratio of Operating Revenues to Total Consolidated Operating Revenues (Share of consolidated revenues in FY2006 and 2007)

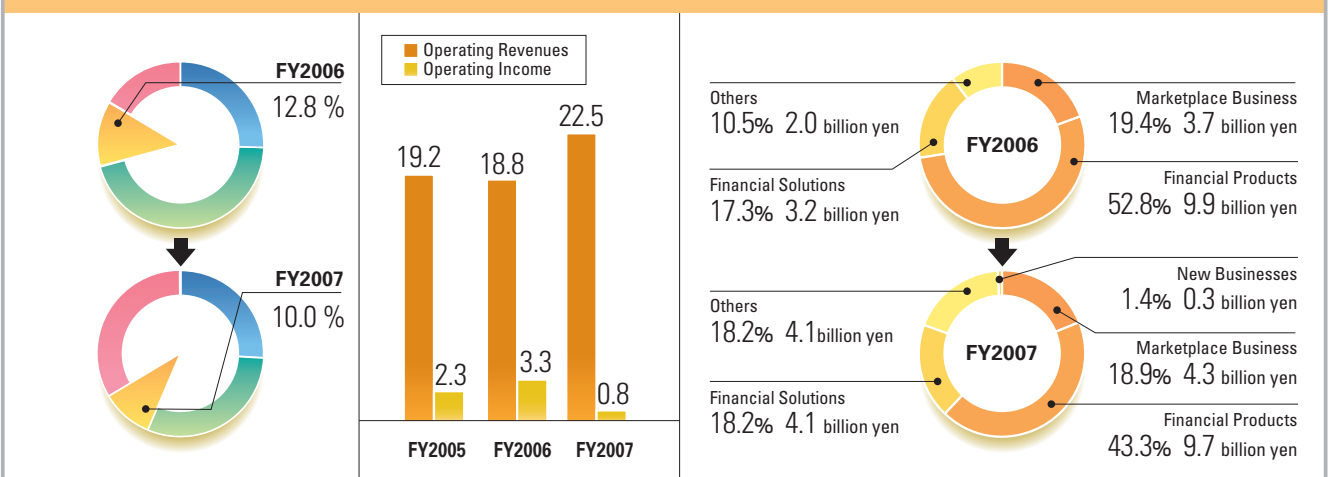
Operating Results

(billion yen)

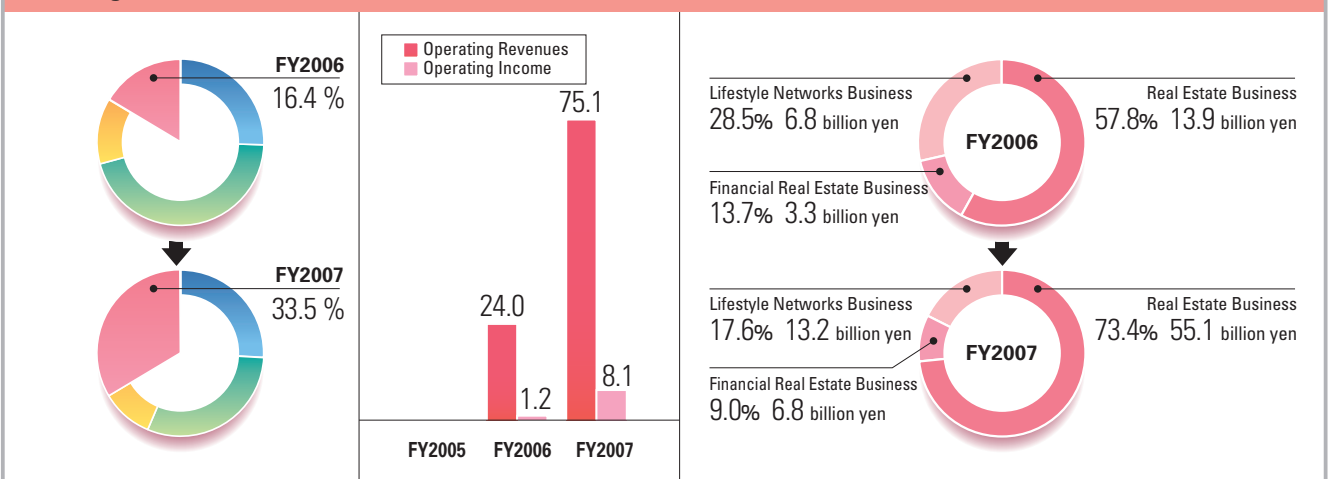
Operating Revenues by Segments

(Share of consolidated revenues in FY2006 and 2007)

Financial Services Business



Housing and Real Estate Business



System Solution Business

