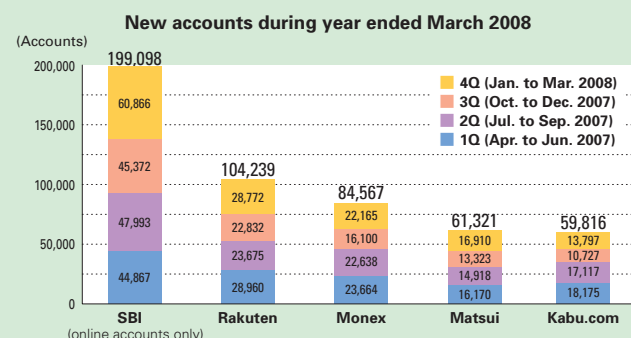
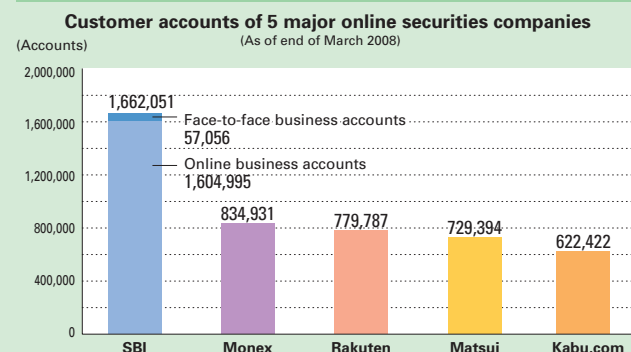


Building Japan's First Business Model of "Internet-based Real Securities Company" Based on a Dominant Market Share of Stock Market Transactions

Principal companies in the Brokerage & Investment Banking Business

SBI SECURITIES Co., Ltd. (formerly SBI E*TRADE SECURITIES Co., Ltd., renamed on July 1, 2008) / Comprehensive online securities company
 SBI Futures Co., Ltd. / Online commodity futures broker listed on Hercules Market of OSE (code: 8735)
 SBI Japannext Co., Ltd. / Operation of PTS (proprietary trading system)
 SBI Fund Bank Co., Ltd. / Financial product agent with emphasis on investment trusts

Customer Account Comparison of Five Major Online Securities Companies

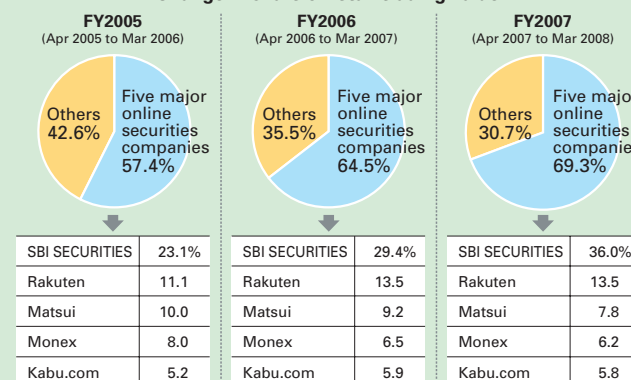


Sources: Competitor figures based on available public information from sources such as various company home pages.
 Note: Monex Securities and Nikko Beans are totaled as Monex.
 Kabu.com Securities merged with MeNet Securities in January 2006.
 SBI E*TRADE SECURITIES merged with SBI Securities on October 1, 2007.

Major Online Securities Companies' Market Share of Retail Trading Value

Only SBI SECURITIES achieved a significant increase in the share among the five major online securities companies, achieving a record high level.

Change in share of retail trading value



Source: Based on TSE, JASDAQ and company materials.
 Note: Individual brokerage trading value is the sum of trades on the three major exchanges and JASDAQ.
 Kabu.com Securities merged with MeNet Securities on January 1, 2006.
 SBI E*TRADE SECURITIES merged with SBI Securities on October 1, 2007.

SBI SECURITIES successfully positioned itself as the dominant market leader. The company has grown through an adherence to its customer-centric principle, primarily by offering the industry's lowest level of stock brokerage commission rates, along with the highest level of customer services available in the securities industry. SBI SECURITIES ranks first among Japan's online securities companies in terms of the number of customer accounts, brokerage trading value and assets in customer accounts, positioning itself well ahead of all competitors.

In order to become a comprehensive securities company, SBI E*TRADE SECURITIES and former SBI Securities merged on October 1, 2007. The merged company, SBI SECURITIES, is building a new business model that utilizes two service channels: the Internet and branches for face-to-face interaction with customers. The goal is to build Japan's first "Internet-based Real Securities Company" business model. Concurrently, SBI SECURITIES will be using its dominant position in Japan's stock brokerage market to strengthen and expand its investment banking and wholesale securities businesses.

SBI SECURITIES determined that a sale of E*TRADE Korea Co., Ltd. was in the company's best interest, with the primary reason being the heated competition in Korea's securities industry. In addition, this sales will provide funds that will be used for securities and other business activities planned for targeted Asian countries with rapidly growing economies. SBI SECURITIES recorded about ¥1.5 billion in deferred tax liabilities in FY2007 owing to this sales, which is expected to close in the second quarter of FY2008.

Firmly Positioned as Japan's Leading Online Securities Company

SBI SECURITIES has maintained consistent growth in the number of customer accounts, which reached one million in January of 2006, 1,405,897 (online accounts only) at the end of March 2007, and 1,662,051 at the end of March 2008. These customer account numbers place SBI SECURITIES far ahead of its competitor Japanese online securities companies.

In the fourth quarter of the March 2008 fiscal year, SBI SECURITIES added more than 60,000 new accounts. This was the highest quarterly increase since the quarter that ended in June 2006, demonstrating that SBI SECURITIES' customer account growth is once again gaining momentum.

Share of Stock Brokerage Trading Value Continues to Increase

In FY 2007, SBI SECURITIES was Japan's only online securities company that achieved year-on-year growth in stock brokerage trading value. Stock market volatility and an uncertain economic outlook combined to reduce recorded trading value among online competitor companies. Products, services and fee structures that achieve outstanding customer satisfaction all contributed to this accomplishment. Another significant achievement at SBI SECURITIES was an increase in the share of individual stock brokerage trading value, which reached a new record high of 36.0%.

In addition to its leadership in individual stock brokerage trading value, SBI SECURITIES retained its overall number one ranking in total stock brokerage trading value, which includes orders from institutions and foreigners, placing SBI SECURITIES above Japan's conventional (face-to-face) securities companies. Moreover, the company was ranked first in stock brokerage trading value for 13 consecutive quarters since surpassing Nomura Securities in the fourth quarter of the fiscal year that ended in March 2005.

Further Diversification of the Profit Structure

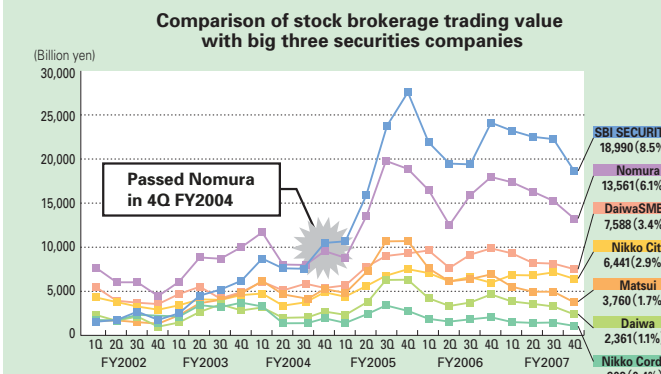
SBI SECURITIES is utilizing its large customer base to further diversify its profit structure. One example is the 24.5% growth in financial income to ¥21,743 million in FY 2007. An increasing volume of Internet margin transactions and rising interest rates were the primary reasons. In the IPO underwriting market, SBI SECURITIES ranked first among all Japanese securities companies through its participation in the offerings of 58 companies. There were also increases in investment trust sales, sales of foreign bonds, the volume of foreign exchange margin transactions and other activities. Furthermore, the company started selling overseas exchange-traded funds (ETF) and investment-type annuity policies. SBI SECURITIES will continue to diversify its revenue structure by providing an even broader lineup of products and services that match customers' needs.

SBI Japannext Begins Operating a PTS

The "SBI Japannext PTS" started operations on August 27, 2007 with the participation of SBI SECURITIES and two other securities companies. Trading volume is already greater than that of the PTS of other companies, all of which have been operating longer. The number of participating companies is also rising: Rakuten Securities started trading through the "SBI Japannext PTS" in April 2008 and Orix Securities established a link to this market in June 2008. SBI Japannext expects to continue to increase the number of participating securities companies.

In March 2008, SBI Japannext extended its trading hours, which ended at 23:59, by adding a nighttime trading period between 0:30 and 2:00. This gives traders further opportunities by increasing the time overlap with the operating hours of the NYSE and other U.S. securities markets. SBI Japannext is currently preparing to start daytime trading by the end of 2008. Progress continues on systems and operational projects, including negotiations with the Financial Services Agency. Longer trading hours are expected to attract an even more diverse range of both individual and institutional investors to SBI Japannext.

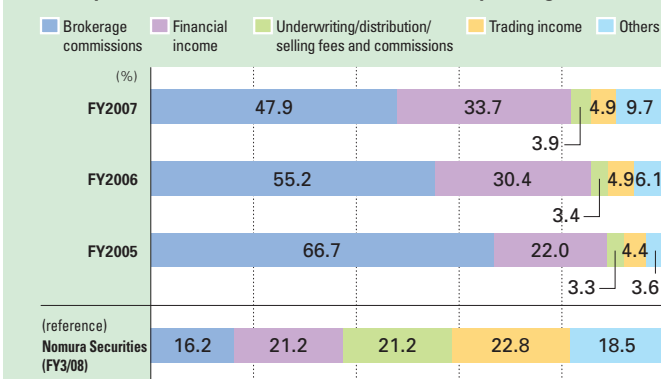
SBI SECURITIES Continues to Exceed Nomura in Stock Brokerage Trading



Source: Based on TSE and company materials (E*TRADE includes orders from overseas investors). (Unit: billion yen; percentages in parentheses are the stock brokerage trading value of each company divided by the total stock brokerage trading value for Japan's three major stock markets.)

A Revenue Structure Largely Immune to Changes in Market Conditions

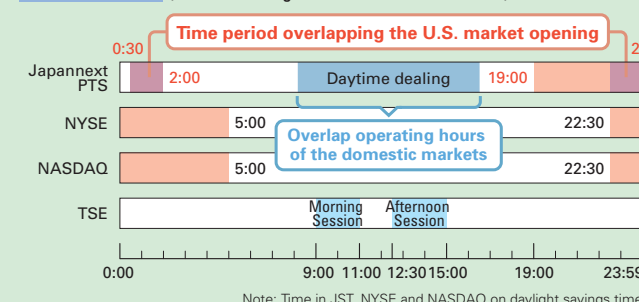
Composition of SBI SECURITIES consolidated operating revenues



Note: Nomura Securities data based on financial information using Japanese accounting standards.

Measures to Increase Trading Opportunities

Extension of dealing period



Various systems and operational projects for daytime trading are underway, for negotiations with the FSA

- Plan to make a capital increase of 3 billion yen
- Expect continuous dealing period from 8:10 to 16:30
- In preparations for a targeted operation commencement of Oct.-Dec. 2008