

# Review of Operations by Business Segments

## Asset Management Business

### Financial Results of FY2008

The Asset Management Business is comprised of two businesses, a securities investment business and investment advisory and other services business. The securities investment business involves investing in venture companies such as information technology, biotechnology, broadband networks, media and mobile communications, etc., as well as companies in need of restructuring. The investment advisory and other services business is primarily involved in managing mutual funds.

The Asset Management Business recorded operating revenue of ¥16.0 billion for FY2008, down 72% from FY2007. The primary reason for the decline was the sharp reduction in the number of IPOs from the previous fiscal year, leading to an operating income of ¥2.6 billion, down 84% from FY2007. While all of our competitors reported operating losses under such conditions, we were able to report an operating profit because the New Horizon Fund, which entered its harvesting period, contributed ¥4.6 billion in operating income.

### Further Deterioration of the IPO Market

FY2008 experienced an accelerated decline in the domestic stock market from the previous fiscal year, as all the domestic stock markets only produced 34 IPOs, a significant decline from the 99 IPOs in FY2007, attesting to the dramatic slowdown of the domestic IPO market.

Not only did the IPO market decline in Japan, there was a sharp decrease throughout the global stock markets, as reflected by the decline in global IPOs to 559 companies (approx. 26% of FY2007), and a decline in total funds raised to \$55 billion (approx. 19% of FY2007).

These conditions adversely affected the SBIH Group's portfolio companies, causing many to postpone their initial IPO plans and resulted in no IPOs for the Group portfolio companies in FY2008, including overseas companies.

### A Consistently High Level of Investments and High Operational Performance

The SBIH Group's investment funds are not restricted to investments in venture companies planning IPOs. For instance, SBI CAPITAL manages buyout funds that invest primarily in promising medium-size companies that are already listed on the emerging markets, as well as in high growth potential companies.

We believe that the harsh conditions under which the market malaise continues is an excellent market opportunity to make investments. So, for that reason the FY2008 investment amount by the SBIH Group managed funds totaled ¥82.0 billion with direct investments through SBI Holdings of ¥13.2 billion, for a total investment amount of ¥95.2 billion in 118 companies. This high level of investment follows the ¥101.0 billion invested in FY2007.

As shown in the table below, the SBIH Group-managed funds have recorded high operational performance results that significantly outperformed competitor venture capital companies in Japan.

### Track Records of Major Japanese Venture Capital Firms (Redeemed Funds)

	JAFCO			SBIH Group			Daiwa SMBC Capital		
	Established	Fund	IRR	Established	Fund	IRR	Established	Fund	IRR
Established 1990s	1991	JAFCO R1 (A) (B)	1.2	1995	Softven No. 2 Limited Partnerships <sup>*1</sup>	20.4	1990	NIF #8	3.4
	1991	JAFCO G5	4.2	1996	SOFTBANK Ventures SV Angel '96 Profit-Participation Bonds <sup>*2</sup>	20.5	1990	NIF #9	0.5
	1992	JAVP2	3.2		1991	NIF 10-A	3.0		
	1992	JAFCO R2	4.4	1997	SOFTBANK Contents Fund	5.0	1991	NIF 10-B	3.0
	1995	JAFCO R3	12.9				1991	ML-NIF1	5.4
	1995	JAFCO G6 (A) (B)	10.9				1992	NIF #11	1.9
	1997	JAFCO G7 (A) (B)	6.2						
Average IRR			6.1			15.3			2.9
					approx. 2.5 times				approx. 5.3 times
Established 2000s	2000 <sup>*3</sup>	JATF	0.9	2000	SOFTBANK Internet Technology Fund	6.5			
	2004	JAFCO MBO2	6.4	2001	SBI-LBO-Fund No. 1	18.3			
	2005	JATF III	11.3	2002	Enterprise Restructuring Fund No. 1	25.7			Not announced
				2002	VR Enterprise Restructuring Fund	27.7			
Average IRR			6.2			19.6			
					approx. 3.1 times				

Source: Based on companies materials. IRR taken directly from each company's IR material.

\*1. The original general partner of Softven No. 2 was Softbank Investment, which is now SBI Investment.

\*2. The original general partner of SOFTBANK Ventures SV Angel '96 was SOFTBANK Ventures, which is now SBI Investment.

\*3. JAFCO funds established after 2000 are funds currently under management and are included here as reference.

\*4. JAFCO funds with negative IRR are excluded.

Along with the trust and brand reputation that the Asset Management Business has cultivated thus far, it is expanding its alliances with prominent partners in Japan and overseas. In Japan, in addition to information technology and biotechnology, the scope of investment activities have been expanded to encompass the environment and energy sectors. Additionally, investments outside of Japan are increasing, with a current focus on Asian countries.

### Assets Under Management of the SBIH Group Funds

SBIH Group total assets under management for FY2008 were down ¥133.6 billion from FY2007 to ¥493.5 billion, of which ¥241.2 billion was private equity.

### Overview of the New Horizon Fund

The New Horizon Fund (with 6 of its 10 investee companies becoming listed from the start of operations in May 2005 through the end of FY2008), despite the decline in the Chinese stock market, has secured sufficient unrealized capital gains. Owing to the realization of some of the capital gains during FY2008, a ¥4.6 billion contribution to operating income was realized.

Going into 2009, the Chinese stock market is rapidly recovering, and consequently there has already been one completed IPO in the first quarter of FY2009. Under the circumstances, we are forecasting the possibility (as of July 28, 2009) of an ¥8.1 billion distribution during FY2009, with the potential of larger dividends depending on market conditions.

### Assets Under Management of the SBIH Group

#### AUM of the SBIH Group amounted to 493.5 billion yen (Incl. real estate)

(Billions of yen)

<b>Private equity</b>	<b>Total: 241.2</b>	<b>(Environment/Energy)</b>	<b>6.8</b>
<b>(IT/Biotechnology)</b>	<b>Total: 120.5</b>	<b>(Buyout/Mezzanine)</b>	<b>Total: 35.2</b>
Internet	6.7	Value Up	19.2
Broadband/Media	57.3	Mezzanine	16.0
Mobile services	27.7		
Biotech/Others	28.7		
<b>(Direct investment)</b>	<b>25.1</b>	<b>(Overseas)</b>	<b>Total: 53.6</b>
		China/Hong Kong	35.9
		Vietnam <sup>*1</sup>	8.2
		India <sup>*2</sup>	9.6
<b>(Investment trusts, others)</b>	<b>Total: 194.7</b>	<b>(Real estate, others)</b>	<b>Total: 57.6</b>
Investment trusts	31.0	Development	22.4
Investment advisory	161.5	Completed properties	35.2
Investment companies	2.2		

The figures for real estate investments reflect the total amount of investments, and investment trusts and investment advisory services reflect net assets at market value as of the end of March 2009. Figures for other funds reflect net assets at market value based on the most recent financial report for each fund as of March 2009. Figures are rounded to the nearest ¥100 million. Funds that do not close before the fiscal year end are calculated based on contribution commitments.

### Performance of New Horizon Fund

(Millions of U.S. dollars)

Portfolio companies	Investment Balance	Category	IPO/M&A (planned)	Capital Gain		
				End Mar. 08	End Mar. 09	As of Jul. 28, 2009
Sichuan Meifeng Chemical Industry	11.2	A-Class share		63.7	26.4	34.0
Changsha Zoomlion Heavy Industry Science & Technology Development	4.4	A-Class share		144.6	66.6	64.0
China Printing & Dyeing Holding	–	IPO		0.2	–	– <sup>*1</sup>
Yingli Green Energy Holding	–	IPO		4.5	–	–
Kingsoft	–	IPO		2.3	4.4	–
Goldwind Science and Technology	0.5	A-Class share		124.9	29.9	15.5
China Cord Blood Services Corporation	4.1	IPO		17.6	17.6	12.0
Jiangsu Ealong Biotech	2.5	Pre-M&A	2010	5.6	5.6	5.6
Shineway Group	20.4	Pre-IPO	2010	15.0	15.0	15.0
Cathay Industrial Biotech	12.0	Pre-IPO	2011	79.1	79.1	79.1
<b>Total</b>	<b>55.1</b>			<b>457.5</b>	<b>244.6</b>	<b>225.2</b>

IPO'd (market value)

Pre-IPO/M&A (estimated value)

[Received Dividends]\*<sup>2</sup> (Billions of yen)

[Estimated Dividends after FY2009] (As of July 28, 2009)

Foundation–FY2007	FY2008	FY2009	FY2010	FY2011	Total Estimated Dividends, after FY09
0.9	6.1	8.1	2.8	3.2	14.1

Note: The estimated dividends are not confirmed as they are based on estimated stock values of pre-IPO or M&A companies

\*1 In the course of liquidation

\*2 Sales amount after deduction of expenses associated with sales

### Principal Companies in the Asset Management Business

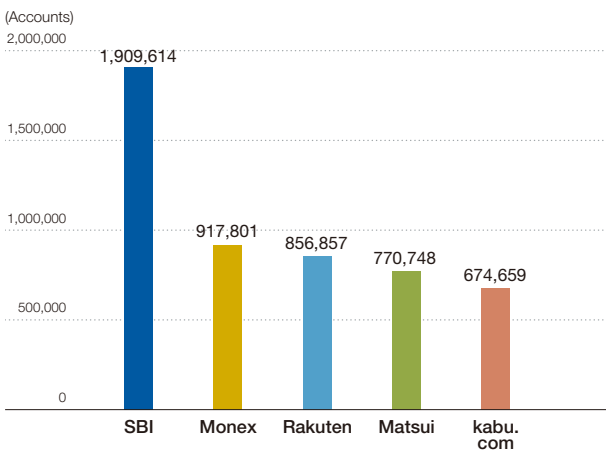
Company name	Business
SBI Investment Co., Ltd.	Venture capital fund management
SBI CAPITAL Co., Ltd.	Buyout and value up fund management
SBI Capital Solutions Co., Ltd.	Mezzanine fund management
SBI Asset Management Co., Ltd.	Investment trust management, investment advisory services
SBI VEN CAPITAL PTE. LTD.	Overseas investment activities

# Brokerage & Investment Banking Business

## Financial Results of FY2008

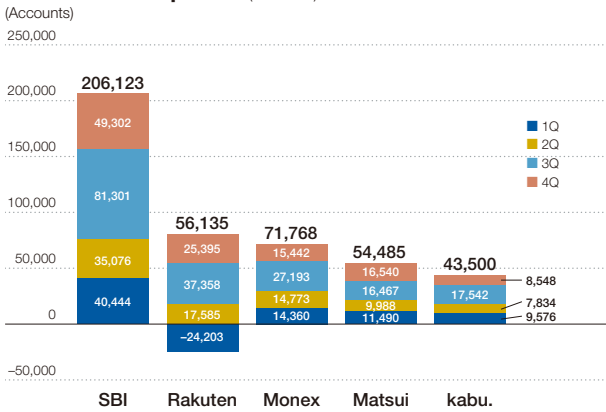
The Brokerage & Investment Banking Business in FY2008 was comprised of two businesses, the securities business and the commodity futures business. The securities business involves the brokerage of securities transactions, the underwriting and selling of IPOs and the placement and distribution of securities. The commodity futures business involved the trading of commodity futures contracts, however operation of this business ceased as of the end of July 2009.

### Customer Accounts of Five Major Online Securities Companies (As of end of June 2009)



Source: Compiled by SBIH based on websites and other public information for each company

### Comparison of New Accounts at Major Online Securities Companies (FY2008)



Source: Compiled by SBIH based on websites and other public information for each company

\*1. Rakuten Securities, Inc. closed certain customer accounts in June 2008 and changed its disclosure criteria to an account opening basis  
 \*2. Matsui Securities closed certain customer accounts (11,140 accounts) in December 2008

Operating revenues in the Brokerage & Investment Banking Business for FY2008 were down 28% to ¥49.2 billion. Of the total, ¥48.6 billion was contributed from the securities related operations of SBI SECURITIES and SBI Liquidity Market. The remaining ¥0.6 billion was recorded from the commodity futures business of SBI Futures.

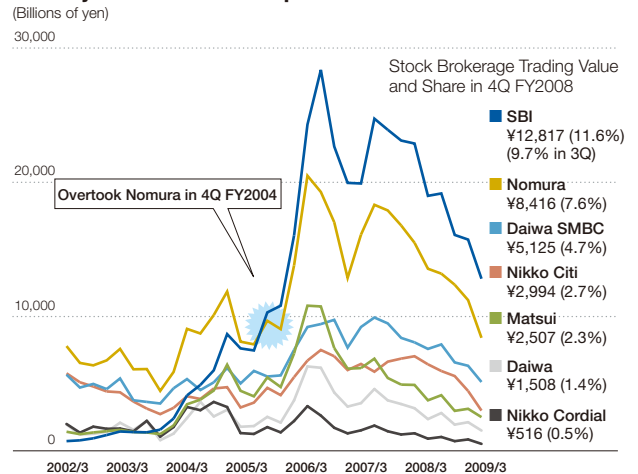
### SBI SECURITIES' Continuing Market Share Expansion Supported by a Dominant Customer Base

In spite of the difficult economic environment, customer accounts at the five major online securities companies continue to steadily increase, and during FY2008 SBI SECURITIES added 206,123 new customer accounts.

Also, within an environment where the overall individual stock brokerage trading value has declined, the share of the individual stock brokerage trading value held by the five major online securities companies has continued to increase, and encompassed a 73.2% market share for FY2008. Within this backdrop, SBI SECURITIES has also steadily increased its market share of the individual stock brokerage trading value to 38.7% for FY2008.

In terms of the overall stock brokerage trading value, including orders from institutional and foreign investors, SBI SECURITIES recorded an 11.6% market share for the fourth quarter of FY2008. From the fourth quarter of FY2004, when SBI SECURITIES overtook Nomura Securities, as well as the domestic conventional (face-to-face) securities companies and others, for the past 17 consecutive quarters SBI SECURITIES has retained the number one market share position in terms of overall stock brokerage trading value.

### Change in Stock Brokerage Trading Value for Major Securities Companies



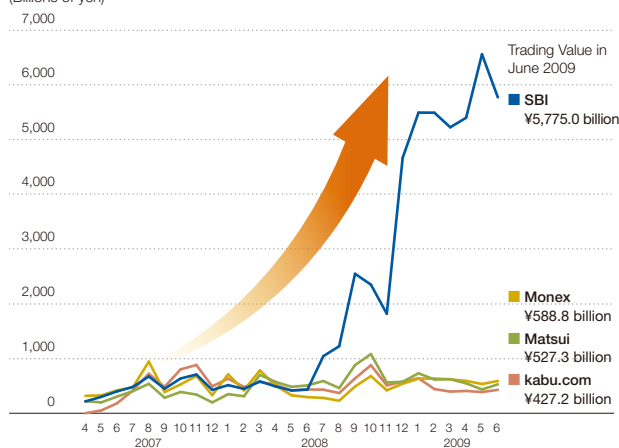
Source: Based on TSE and company materials (SBI SECURITIES includes orders from overseas investors)

**SBI SECURITIES**, with its firm commitment to the customer-centric principle, has continued to provide the “industry’s lowest level of commission rates and the industry’s highest level of quality service.” Furthermore, it is working to establish a new business model to become Japan’s first “Bricks-and-mortar, based-on-the-Internet securities company,” and with the backdrop of an outstanding market share in the brokerage business, the number of customer accounts has continued to increase.

### SBI Liquidity Market Has Contributed Substantively to Earnings in Only Four Months Since Its Inception

SBI Liquidity Market provides a convenient and liquid market infrastructure for foreign exchange (FX) margin trading, and was conceived to provide such a service for brokerage firms and financial instrument trading business firms, with operations commencing on November 17, 2008. As of the end of June 2009, 13 foreign and domestic financial institutions including Citibank and The Bank of Tokyo-Mitsubishi UFJ are counterparties in the operations, and provide SBI SECURITIES and SBI Futures’ customers with a very competitive FX trading operation. Going forward, SBI Sumishin Net Bank, as well as other non-Group financial companies, are expected to connect to the operations, eventually leading to an increased volume of FX trading.

**Foreign Exchange Margin Trading Value of the Four Major Online Securities Companies**  
(Billions of yen)



\*1 Four online securities firms that disclosed information (SBI SECURITIES, Monex, Matsui and kabu.com)

\*2 Trading value total of “SBI FX” and “SBI FXα” from Nov. 2008 to Feb. 2009  
Source: Compiled by SBIH from disclosed information

### The Start of Daytime Trading at SBI Japannext

The Japannext PTS, operated by SBI Japannext, through its highly accessible proprietary trading system (PTS), started nighttime trading in August 2007 and has since started daytime trading beginning in October 2008. Consequently, proceeds from trades increased significantly, with the June 2009 trading value reaching ¥149.2 billion, an historical monthly high. This is the result of the highly functional trading system, and a daytime tick size of one-tenth or less than that of the Tokyo Stock Exchange. Both of these factors have contributed to the recognition of the Japannext PTS as a facilitator of trades at advantageous prices. As it is conceivable that the trend toward superior execution will accelerate, with Japannext PTS’ highly functional trading system along with its offering of a smaller tick size, the operation is likely to continue to attract more investors. Consequently, through increased liquidity, the trading volume should increase as well.

### Further Diversification of the Revenue Base

Along with increasing the number of products and services available to continue the growth of the Brokerage & Investment Banking Business, SBI SECURITIES continues to diversify its revenue base.

SBI SECURITIES will increase its collaboration with companies such as SBI Liquidity Market, Japannext PTS, Morningstar Japan (which provides rating information on financial products), and SBI Fund Bank (which is a financial product agent primarily for investment trusts), as well as other companies both within and outside of the SBIH Group, to fully leverage synergistic effects and to strengthen its earnings power.

### Principal Companies in the Brokerage & Investment Banking Business

Company name	Business
<b>SBI SECURITIES Co., Ltd.</b> (Formerly SBI E*TRADE SECURITIES Co., Ltd., renamed on July 1, 2008)	Comprehensive online securities company
<b>SBI Liquidity Market Co., Ltd.</b>	Provision of market infrastructure to supply liquidity to FX margin trading
<b>SBI Futures Co., Ltd.</b> (Become a wholly owned subsidiary of SBI Holdings, Inc. on August 1, 2009)	Online commodity futures broker (currently online FX margin trading services) (Ceased commodity futures brokerage operations on July 31, 2009)
<b>SBI Japannext Co., Ltd.</b>	Operation of PTS (proprietary trading system)
<b>SBI Fund Bank Co., Ltd.</b>	Financial product agent with emphasis on investment trusts

## Financial Services Business

### Financial Results of FY2008

The Financial Services Business is comprised of the marketplace business and other existing businesses, and new businesses.

For FY2008, the Financial Services Business recorded operating revenue of ¥22.6 billion, up 1% from FY2007, and operating income of ¥1.5 billion, up 76% year-on-year. The shrinking of the deficit of new businesses by ¥0.9 billion as compared to FY2007 (with Internet life and nonlife insurance businesses improving by approx. ¥0.6 billion and credit card business improving by approx. ¥0.3 billion) contributed to an increase in the operating income.

### Existing Businesses

#### Performance of Publicly Owned Subsidiaries (consolidated)

(Millions of yen, Figures in parentheses are year-on-year change (%))

	Operating Revenues	Operating Income	Ordinary Income	Net Income
<b>Morningstar Japan*</b> (FY2008)	2,792	323	406	247
<b>SBI VeriTrans</b> (FY2008)	4,402 (+18.8)	921 (+21.5)	942 (+23.3)	561 (+25.0)

\* Morningstar Japan changed from a December to March fiscal year in 2007. The current fiscal period was the 15-month period from Jan. 1, 2007 through Mar. 31, 2008, therefore, year-on-year change is not available for the company.

#### ■ Morningstar Japan: Providing Rating Information on Various Financial Products

Morningstar Japan provides rating information on over 2,700 domestic and overseas investment trusts. On a consolidated basis, in conjunction with the slowdown of orders from financial institutions at subsidiary Gomez Consulting, operating revenue and income both declined from FY2007. However, on a non-consolidated basis, owing to the increase in the sales of reports and IR, investment trusts and stock data information, operating revenue increased 90.4% to ¥2.3 billion, and net income increased 11.5% to ¥0.3 billion, representing a significant increase in both revenue and profits.

The video transmission service, which has attracted over 200,000 cumulative viewers for the nine months from its start in July 2008 to March 31, 2009, and demonstrated a sharp increase in viewership by the end of June 2009, surpassing 320,000 viewers.

In addition, fee-based mobile phone transmission was started in April 2009. This service consists of a daily transmission of over 100 pieces of valuable information for asset management, such as the latest stock and fund information, global market information and foreign exchange information. The number of subscribers has been increasing steadily.

#### Video Report Transmission

Morningstar journalists and analysts in Japan and the U.S. comment on economic trends, stock market conditions, individual stock issue, investment trust overviews, etc. in a video format.

Morningstar Video Reports  
<http://www.morningstar.co.jp/news/video/>

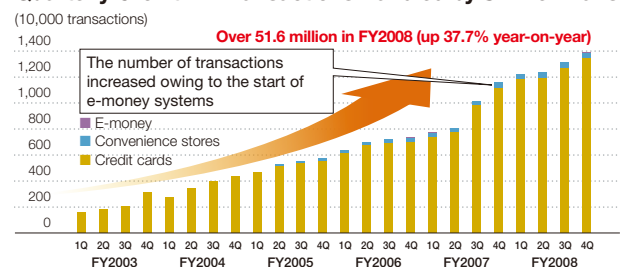


#### ■ SBI VeriTrans: Continues to Grow Along with the Rapid Growth in the E-commerce Market

SBI VeriTrans is a provider of Internet payment processing solutions. The company has continued to grow steadily along with the growth in the domestic Internet and e-commerce (EC) market, and for FY2008 reported consolidated results with over a 20% increase year-on-year in both operating income and net income.

From FY2007 SBI VeriTrans began processing transactions through "Mobile Suica" and "Mobile Edy," two widely used e-money systems in Japan. Owing in part to these additions, the number of transactions handled increased 37.7% to more than 51.6 million transactions for FY2008.

#### Quarterly Growth in Transactions Handled by SBI VeriTrans



Furthermore, overseas business development has been accelerated with a primary focus on China. Targeting mainland Chinese consumers, the China UnionPay Card settlement for Internet mail order sales has been implemented for the first time in Japan. Also, the company provides total operational support for mail order sales to Chinese consumers, from translation to logistics, through our "Buy-J.com" EC mall, which began operations in earnest from April 2009 enabling UnionPay Internet settlement.



Buy-J.com  
<http://www.buy-j.com/shop/>



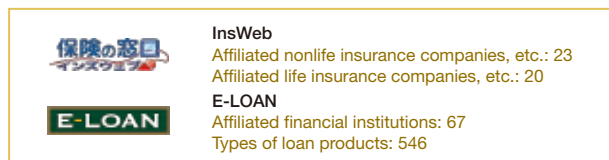
In the Financial Services Business, the lineup of Internet financial services is being broadly expanded, in order to build a revenue base that is not entirely dependent on the stock market. By quickly developing the new major operating businesses of Internet banking, Internet nonlife insurance and Internet life insurance and fully leveraging the synergistic effects among the Group companies, a steady revenue source will be developed that will contribute significantly to earnings growth.

### ■ Steady Growth of the Marketplace Business (SBI Holdings)

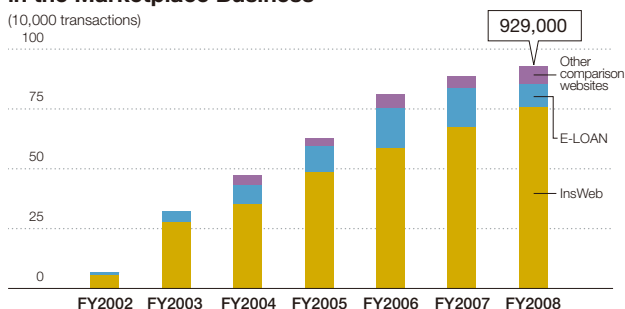
In the marketplace business, along with many other financial websites, SBI Holdings operates mainly the “InsWeb” and “E-LOAN” websites, which have grown to become Japan’s largest financial comparison and estimate websites. The number of InsWeb’s auto insurance estimates has steadily increased by 12.3% year-on-year, and along with other finance-related service websites (8 sites), the user transaction numbers\* increased 4.6% to 929,000, and continues to exceed the figures from each previous year. As a result, FY2008 operating revenues for the marketplace business were up 11% to ¥4.7 billion from FY2007.

\* Number of actual estimates (requests for estimates), provisional applications and other transactions conducted on the websites

#### Operating Japan’s Largest Financial Product Comparison Websites From a Neutral Perspective



#### Change in Transaction Volume in the Marketplace Business\*



### Principal Companies in the Financial Services Business

Company name	Business
<b>SBI Holdings, Inc. (Financial Services Business Division)</b>	Operating various financial comparison websites
<b>Morningstar Japan K.K.</b> Hercules Market of OSE (Code: 4765)	Providing rating information for financial products, primarily investment trusts
<b>Gomez Consulting Co., Ltd.</b> Hercules Market of OSE (Code: 3813)	Business support and evaluation of websites
<b>SBI VeriTrans Co., Ltd.</b> Hercules Market of OSE (Code: 3749)	Electronic settlement services for e-commerce businesses
<b>SBI Sumishin Net Bank, Ltd.</b>	Internet-based full service bank; jointly owned with The Sumitomo Trust & Banking Co., Ltd.
<b>SBI Insurance Co., Ltd.</b>	Internet nonlife insurer jointly owned with Aioi Insurance Co., Ltd. and SOFTBANK Corp.
<b>SBI AXA Life Insurance Co., Ltd.</b>	Japan’s first Internet-based life insurance company jointly owned with AXA Japan Holding Co., Ltd. and SOFTBANK Corp.
<b>SBI Card Co., Ltd.</b>	Credit card services and an issuer of the MasterCard-branded various SBI credit cards such as “SBI World Card”

### New Businesses

SBI Sumishin Net Bank began operations in September 2007, and by the end of FY2008 recorded a deposit balance of ¥629.9 billion (¥711.5 billion as of the end of July 2009), with a total of 418,419 customer accounts (510,962 accounts as of the end of July 2009). The bank reported a profit on a quarterly basis in the fourth quarter, thereby largely exceeding all initial targets, and is moving toward achieving the FY2009 target of a single year profitability, which would significantly improve the equity in gains/losses of subsidiaries and associated companies (non-operating gains/losses).

SBI Insurance, which started operations in January 2008, has attained over 42,000 auto insurance contracts for FY2008 (68,000 cumulative as of the end of July 2009), positively affected by the reduction in premiums in March 2008, a renewed website in August 2008 and an expansion of alternative sales channels, among other factors.

SBI AXA Life Insurance, which started in April 2008, initiated a large-scale discount on term life insurance in October 2008. In March 2009 the company introduced a new income security insurance product, and effected other measures to improve its services quality and name recognition, to increase the number of contracts.

SBI Card, which issues various SBI credit cards with the MasterCard brand, leverages the industry’s top-class, high function credit cards to serve over 47,000 cardholders, in two years and four months since the start of its operations. With the planned issuance of VISA brand credit cards during FY2009, SBI Card anticipates the continued growth of its cardholder base.

As a result, operating revenues in the new businesses during FY2008 were up 219% to ¥1.0 billion from FY2007.

## Housing and Real Estate Business

### Financial Results of FY2008

The Housing and Real Estate Business consists of three businesses; the real estate business, the financial real estate business and the lifestyle networks business.

The operating revenue for FY2008 was adversely affected by the deteriorating domestic real estate market, and declined 46% to ¥40.9 billion, and operating income declined 89% year-on-year to ¥0.9 billion, owing to CEM Corporation's valuation loss on sales property and an allowance for doubtful accounts.

### The Real Estate Business (SBI Holdings and others)

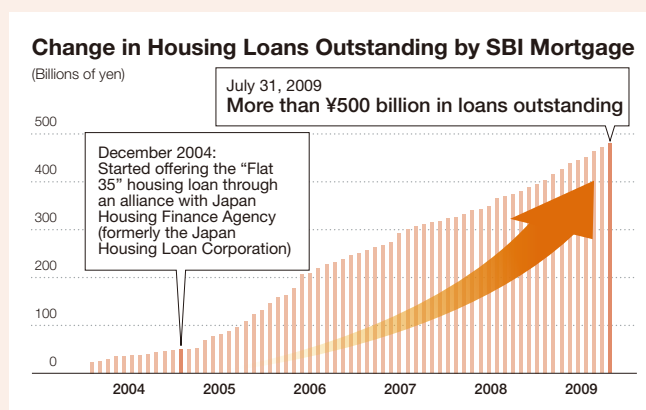
The Real Estate Business is involved in the development of investment properties primarily as supply for sale to investors, such as funds. Sales of such properties continued throughout FY2007, but were mostly finalized by the end of the first quarter of FY2008, consequently leading to a total decline in operating revenues of 67% to ¥18.4 billion. Although we will endeavor to continue to sell saleable investment properties, owing to the continuing deterioration of the real estate market new property investments are being restrained, and we will examine very carefully the timing of the resumption of such investments.

### Financial Real Estate Business (SBI Mortgage and others)

SBI Mortgage was established as Japan's first mortgage bank in 2001, and in conjunction with the Japan Housing Finance Agency continues to offer its "Flat 35" long-term, fixed-rate housing loan at the lowest level of interest rates in the industry (2.62% in July 2009), and its loans outstanding continues to grow steadily. At March 31, 2009, its loans outstanding amounted to a total of ¥463.9 billion (¥501.3 billion as of the end of July 2009), and the market share for the "Flat 35" product, as of June 2009 among 339 participating institutions, ranked number one with a 19%\* market share.

As a result, operating revenues in the financial real estate business for FY2008 were ¥7.9 billion, a 17% increase year-on-year.

\* Loan execution base (including guaranteed loans); Source: SBI Holdings



### Lifestyle Networks Business

The lifestyle networks business is engaged in the operation of websites for comparisons, searches and estimates of various products and services, as well as sales and services relating to beauty care, health food products, women's clothing and accessories, and other products. Total transactions\* have amounted to over 380,000 on its six lifestyle networks websites, which was up 33.4% year-on-year demonstrating a significant increase and a notable growth. Operating revenues for FY2008 were ¥14.7 billion, a 11% year-on-year increase.

Also, as of July 1, 2009, SBI Holdings' lifestyle networks business was partially transferred to SBI Life Living. SBI Life Living combines the existing property development business and the Internet-based lifestyle networks business, to build a new business model that produces a network value and will allow it to diversify its revenue base, which will also lead to an expansion of its business scope.

\* Number of actual estimates and sales transactions, etc. conducted on the websites

### Principal Companies in the Housing and Real Estate Business

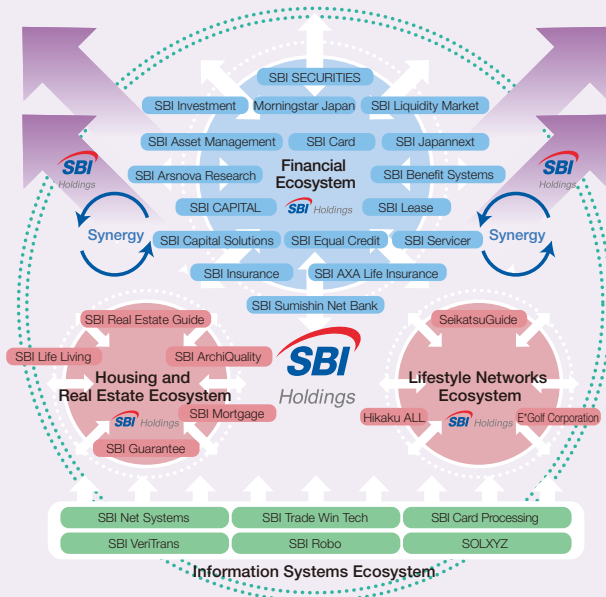
Company name	Business
<b>SBI Holdings, Inc. (Real Estate Business Division)</b>	Mainly real estate investments and development projects in Japan and overseas markets
<b>SBI Holdings, Inc. (Lifestyle Networks Business Division)</b> (Divested to SBI Life Living Co., Ltd. on July 1, 2009)	Operation of websites for comparisons, searches and estimates for a variety of life-related products and services
<b>SBI Mortgage Co., Ltd.</b>	Provision of long-term fixed-interest (to be securitized) housing loans
<b>SBI Life Living, Inc.</b> Mothers Market of TSE (Code: 8998) (formerly LIVING Corporation, Inc. until July 2009)	Development, planning, design and sales of income-producing properties for investors
<b>SBI Planners Co., Ltd.</b>	Architecture, construction, property design and consulting for real estate purchases and financial planning
<b>CEM Corporation</b>	Provision of real estate secured loans for individuals and companies

# System Solution Business

## Financial Results of FY2008

Operating revenues in the System Solution Business for FY2008 were ¥6.4 billion (¥0.3 billion in the previous fiscal year), mainly recorded by SBI Net Systems, demonstrating a year-on-year increase in operating revenues and reduction in operating loss, owing to favorable performance in consigned development and operation and maintenance businesses.

## Information Systems Ecosystem That Supports Internet Financial Services



## Strengthening the Information Systems Ecosystem That Supports Internet Financial Services

The SBIH Group leverages the Internet as its major distribution channel for its diverse lineup of financial products and services, making its systems and software vital components of the Group's business operations. Therefore, in order to supplement these components, an information systems ecosystem is being planned that will play a central role in building, monitoring and maintaining the IT systems used by the Group companies.

## SBI Net Systems to Be the Core of Our Information Systems Ecosystem

SBI Net Systems is expanding its business scope from the conventional information security business to include financial system development, through its subsidiaries SBI Technology and SBI Trade Win Tech. The company is working to become the core company of the information systems ecosystem as a total solution provider for financial systems.

## An Exclusive SNS for Businesses That Recommend the Use of Real Names SBI Business

<http://www.sbibusiness.com/> "SBI Business," operated by SBI Robo, is an exclusive SNS for businesses that supports network expansion and management efforts of business people operating their own SEOs (Search Engine Optimization) by posting their real names and creating and publicizing their own profiles. Since starting the service in January 2008, the number of members has steadily increased, and exceeded 90,000 members in June 2009.



## The Principal Company in the System Solution Business

Company name	Business
<b>SBI Net Systems Co., Ltd.</b> Mothers Market of TSE (Code: 2355)	R&D (Research and Development) of C4 encryption technology, confidential data dispersion technology and electronic watermarks, and provision of information security products

## Other SBIH Group Community-related Web Services

### SBI Finance Portal

<http://www.sbifinance.jp/>  
In January 2009, a financial portal website providing centralized information on the SBIH Group's securities, banking, insurance and other financial services was launched. Designed to convey financial information in an easy-to-understand manner, the website supports the "money life" of our various customers.



### A Community Website Specialized in Finance SBI Money World

<https://www.sbi-com.jp/>  
SBI Money World, a community website that began operations in April 2007, has significantly increased the volume of its content, and as of June 2009, approximately 90,000 members were registered. With such a scale, SBI Money World has already developed into one of Japan's largest SNS sites for the sharing of financial knowledge.

