Analysis of Business Results for the Fiscal Year

In the business environment surrounding the Group, the Bank of Japan's large-scale monetary easing plan led to growing expectations and hopes that deflation could be overcome. Plus the deregulation of margin trading from January 2013 also spurred a rapid rise in trading volumes. As a result, the individual stock brokerage trading values on major markets, Tokyo and Nagoya, in the fiscal year ended March 31, 2014 achieved a high level of 2.4 times that of the year earlier. Overseas, stock market conditions in major countries were also favorable despite effects of the slowdown of quantitative easing in the U.S. and uncertainties over the future outlook of some emerging economies.

The Group's consolidated results of operations for the fiscal year ended March 31, 2014 were as follows. Operating revenue increased 50.9% year-on-year to ¥232,822 million, operating income rose 142.9% to ¥42,224 million, profit before income tax expense increased 159.0% to ¥38,899 million, and profit attributable to owners of the Company rose 461.8% to ¥21,439 million.

Financial Services Business

Operating revenue in the Financial Services Business rose 30.4% year-on-year to ¥147,835 million, and profit before income tax expense rose 99.0% year-on-year to ¥37,298 million. SBI SECURITIES Co., Ltd. maintained a stable expansion in its customer base with 335 thousand new accounts opened during fiscal year ended March 31, 2014 and the total account number reaching 2,944 thousand at year-end. The consolidated financial performance of SBI SECURITIES Co., Ltd. for the fiscal year ended March 31, 2014 (under "JGAAP") resulted in operating revenue of ¥74,298 million (a 71.2% year-on-year increase) and operating income of ¥32,799 million (a 185.7% year-on-year increase), which primarily resulted from the growth in commission income due to an increasing trend since December 2012 in individual brokerage trading value. SBI Insurance Co., Ltd. continued to achieve a growth in number of contracts for car insurance, which resulted in ordinary revenue of ¥22,906 million (a 19.5% year-on-year increase) and ordinary loss of ¥5,783 million (ordinary loss of ¥7,543 million for the fiscal year ended March 31, 2013).

SBI Sumishin Net Bank, Ltd., accounted for using the equity method, achieved a total deposit balance of ¥3,076.7 billion with number of accounts reaching 1,974 thousand as at March 31, 2014. The consolidated financial performance of SBI Sumishin Net Bank, Ltd. under JGAAP resulted in ordinary revenue of ¥47,296 million (a 17.6% year-on-year increase), ordinary income of ¥11,731 million (a 48.4% year-on-year increase) and net income of ¥7,116 million (a 48.8% year-on-year increase). SBI Sumishin Net Bank, Ltd., achieved the number of accounts reaching 2,000 thousand as at May 6, 2014.

Asset Management Business

Operating revenue in the Asset Management Business increased 120.3% year-on-year to ¥72,725 million, and profit before income tax expense rose 43.6% year-on-year to ¥8,990 million. In the fiscal year ended March 31, 2014, the number of newly listed companies recovered globally and the number of newly listed companies in Japan (excluding the number of companies listed on the TOKYO PRO Market) is also deemed to remain on a track to recovery as they amounted to fifty-three companies, which exceeds the number recorded in the fiscal year ended March 31, 2013. We completed transactions of IPO and M&A with respect to the Asset Management Business for twelve companies in total (seven companies in Japan and five companies overseas) in the fiscal year ended March 31, 2014. The profit or loss resulting from a change in fair value measurement and profit or loss on sale of shares increased on a limited scale in the fiscal year ended March 31, 2014 compared to those in the fiscal year ended March 31, 2013 due to a significant decline in the stock prices of biotechnology-related shares held by our Group in the fourth quarter of the fiscal year ended March 31, 2014. However, the Asset Management Business achieved significant increases both in revenue and income compared to the fiscal year ended March 31, 2013 with the contribution from the results of SBI Savings Bank in South Korea which became our consolidated subsidiary in March 2013.

Biotechnology-related Business

Operating revenue in the Biotechnology-related Business rose 126.3% year-on-year to ¥2,195 million, and profit before income tax expense was a loss of ¥2,432 million (loss of ¥3,900 million for the fiscal year ended March 31, 2013). SBI Pharmaceuticals Co., Ltd. has started selling orally-administered in vivo diagnostic agent "ALAGLIO®" for malignant glioma by using 5-aminolevulinic acid ("5-ALA") in September 2013, and also proceeding clinical trial on intraoperative diagnosis drug for bladder cancer and on a formulation for treating anemia caused by cancer chemotherapy. At the same time, SBI Pharmaceuticals Co., Ltd. worked closely with the government of Bahrain, as its base in Middle Eastern countries to develop business framework concerning 5-ALA related clinical research, drug development, manufacturing and exports. SBI Biotech Co., Ltd. acquired a U.S. company, Quark Pharmaceuticals, Inc. as a wholly owned subsidiary in December 2012. The acquisition will strengthen R&D capabilities and improve operating efficiency by producing synergies and integrating management resources, as well as accelerate R&D on promising drug pipelines held by both parties.

Cash Flows

As at March 31, 2014, total assets resulted in ¥2,875,304 million and increased by ¥380,917 million from total assets of ¥2,494,387 million as at March 31, 2013. The Group's equity rose by ¥27,928 million to ¥388,463 million from the fiscal year ended March 31, 2013. As at March 31, 2014, the Group's cash and cash equivalents amounted to ¥276,221 million and increased by ¥142,859 million from that of ¥133,362 million as at March 31, 2013. The changes of cash flows for each activity and the reasons for changes are as follows:

Operating Cash Flows

Cash flows from operating activities resulted in ¥29,401 million in net cash inflows (¥36,984 million in net cash outflows for the fiscal year ended March 31, 2013). The net cash inflows were primarily due to a ¥38,899 million cash inflow from an increase in profit before income tax expense, a ¥95,728 million cash inflow from a decrease in accounts receivables and other receivables, and a ¥7,370 million cash inflow from an increase in assets/liabilities related to securities business, despite a ¥121,649 million cash outflow from a decrease in customer deposits in the banking business.

Investing Cash Flows

Cash flows from investing activities resulted in ¥16,811 million in net cash inflows (¥19,060 million in net cash outflows for the fiscal year ended March 31, 2013). The net cash inflows were primarily due to a ¥21,582 million cash inflow from proceeds from sales of investment securities.

Financing Cash Flows

Cash flows from financing activities amounted to ¥92,538 million in net cash inflows (¥25,699 million in net cash inflows for the fiscal year ended March 31, 2013). The net cash inflows were primarily due to a ¥47,918 million cash inflow from an increase in short-term loans payable, a ¥101,012 million cash inflow from proceeds from issuance of bonds payable, and a ¥40,895 million cash inflow from proceeds from long-term loans payable, despite a ¥27,091 million cash outflow for repayment of long-term loans payable and a ¥65,470 million cash outflow from redemption of bonds payable.

Forward-looking descriptions provided herein are based on judgments of the Company as of June 30, 2014.

Risk

The following principal categories of business risks and other risks affecting our Group's business may have a material impact on your investment decisions. From the point of disclosing information, we have also listed risk factors below, which may not completely match these investment decisions. In recognizing these latent risks, we will work to avoid any such risks and take appropriate measures in the event that any such risk arises.

The risks stated below are risks relating to our general operations only. This section includes forward-looking statements, which reflect our views as of June 30, 2014.

1) Our corporate structure, which consists of a large number of public and private companies in multiple business lines, exposes us to challenges not found in companies with a single business line

Our Group consists of companies operating in multiple industries, including Financial Services Business, Asset Management Business, Biotechnology-related Business and other businesses. Our Group also comprises of some publicly traded subsidiaries. Due to the diverse characteristics of our portfolio companies, we face challenges not found in companies with a single business line. In particular, there are three aspects:

- we are exposed to business, market and regulatory risks relating to different industries. We need to devote substantial resources to monitor changes in different operating environments, so that we can react with appropriate strategies that fit the needs of the Group companies affected;
- due to our large number of Group companies involved, successful operation of our Group requires an effective management system that emphasizes accountability, imposes financial discipline on Group companies, and incentivizes management to create value. As we continue to grow through acquisitions of businesses in an increasing number of different industries, our operations will become more complex, which increases the difficulty of implementing our management system; and
- our Group companies in different operating segments may determine that it is in their respective shareholders' interests to pursue business ventures together. We cannot assure you that such business ventures will be successful or generate the synergies expected.

2) Our voting interests in our Group companies may be diluted

Our Group companies may become publicly traded, which will dilute our voting interests in these entities. In addition, our portfolio companies may from time to time need additional capital to achieve their expansion plans or other business objectives and may issue additional shares or other equity securities to meet their capital needs. We may choose not to, or be unable to, subscribe for the securities offered in any such additional issuances by our Group companies. If we fail to subscribe for additional securities of a Group company on a pro-rata basis to our existing shareholding in such company, our equity interest in the Group company will be diluted.

A dilution in our equity interest in a Group company would reduce our share of the profits earned by such Group company, which may have an adverse effect on our financial condition and results of operations. Further, if our ownership were reduced significantly, it may cause our representation on such company's annual general meeting to be reduced, or otherwise reduce our ability to direct or influence the operations of that Group company.

3) The growth we expect in the market for our online products and services may not materialise

The market in Japan for online financial products and services continues to evolve. Our success depends substantially on continued growth in the use of online products and services, such as online brokerage services, Internet banking, Internet-based insurance products and services by individuals. If this growth does not materialize, our financial condition and results of operations will suffer. Factors that could discourage Japanese individuals from using online products and services include security or privacy concerns, inconsistent quality of service and frustration with actual or perceived difficulties in using the Internet to conduct brokerage and other financial transactions.

4) Changes in the legal or financial stability of, or cultural or business strategic differences with, any counterparties with whom we enter into joint ventures or alliances

We operate joint ventures and enter into alliances with foreign and domestic counterparties and the success of these operations is often dependent upon the financial and legal stability of our counterparties. If one of the counterparties with whom we operate a joint venture or continue a business alliance suffers a decline in its financial condition for any reason, or is subject to instability owing to a change to the laws governing its operations after we have invested in the joint venture or the business alliance, we may be unable to successfully operate the joint venture or alliance, or we may be required to invest additional capital or cease operations altogether. Likewise, significant differences in corporate culture and business strategy between ourselves and such partners may come to light and may result in significant changes to the assumptions that we made when we decided to enter into the joint venture or alliance. If our joint venture or counterparties are unable to perform as expected, or if any unexpected events relating to the alliances occur, then we may be unable to continue those businesses successfully. Our inability to successfully operate joint ventures or alliances may adversely affect our reputation and our financial condition and results of operations.

5) Risks relating to business reputation

We are vulnerable to poor market perception and reputational risk since we operate in industries where integrity and the trust and confidence of our clients are of utmost importance. Negative publicity (whether or not justified) associated with us or any of our funds, products, services, officers or employees, partners or alliances, or the occurrence of any of the risks set out in this section could result in a loss of clients and/or mandates. Our business operations are highly dependent on our officers, employees, partners and/or alliances. The actions, misconduct, omissions, failures or breaches of any of our officers or employees, partners and/or alliances may, by association, create negative publicity in relation to our Group. Accordingly, any mismanagement, fraud or failure to discharge legal, contractual, regulatory or fiduciary duties, responsibilities, liabilities or obligations, or the negative perception resulting from such activities or any allegation of such activities, could have an adverse effect on our Group's business, growth prospects, results of operations and/or financial condition. Such cases could adversely affect our financial condition and results of operations.

In addition, there are some frauds or fraudulent acts, which use trade names of our Group companies, with our business expansion and increasing our publicity. Therefore, we may be hit hard by rumors even if we have no fault. Such cases could adversely affect our financial condition and results of operations.

6) Risks relating to business restructuring and expansion

As a "Strategic Business Innovator," one of our Group's basic policies is to perpetuate "Self Evolution."

In addition to business restructurings including acquisitions of one-hundred percent ownership through the share exchange, we intend to aggressively pursue business expansion, including mergers and acquisitions of businesses that we believe offer favorable synergies with our core businesses. We face the risk that our restructurings and business expansion activities may not produce the results that we expect. Failure to achieve expected results could have an adverse effect on our financial condition and results of operations.

We may not be able to identify suitable investment opportunities, partners or acquisitions candidates. Even if we do identify suitable investment opportunities, partners or acquisitions candidates, we may be unable to negotiate terms that are commercially acceptable to us or complete those transactions at all. With respect to our acquisitions, we could have difficulty in integrating these companies or businesses, including internal operations, distribution networks, product lines and personnel, with our existing business, and there is no assurance that the expected strategic benefits of any acquisitions or alliances will be realized. The acquired companies may have low margins and require significant restructuring to increase efficiency. In addition, the key personnel of an acquired company may decide not to work for us. The acquired company could involve a number of specific risks, including diversion of management's attention, higher costs, unanticipated events or circumstances, legal liabilities, failure of the business of the acquired company, fall in value of investments and impairment of goodwill and other acquired intangible assets, some or all of which could have an adverse effect on our business, financial condition and results of operations. In the event that we plan to acquire or invest in other company, we may be required to obtain the prior approval of the relevant regulators and/or the government and there can be no assurance that such approvals will be obtained in a timely manner or at all. In addition, any acquisition of an overseas company will expose us to foreign exchange risks, foreign regulations applicable to its business and different environments that we are not familiar with. In the event that any such risk arises, it could adversely affect our financial condition and results of operations.

These acts of business restructuring and business expansion may require a large amount of funds by their nature. We may raise these funds through equity financing including share exchanges in the capital market as well as through borrowings from financial institutions and issuance of bonds, etc. In the event that we raise such large amount of funds through liabilities, financing costs may increase due to a downgrade of credit ratings of our Group or other similar factors. Such events could have an adverse effect on our financial condition and results of operations.

At the meeting of the Board of Directors held on July 16, 2013, the Board of Directors of our Group made a resolution on the execution of an agreement to acquire all of the issued shares of PCA LIFE Insurance Co., Ltd. ("PCA LIFE Insurance"), an indirect subsidiary in Japan of Prudential plc of the United Kingdom and decided to make PCA LIFE Insurance our subsidiary based on the assumption that we obtain approval, etc. from relevant authorities. Based on such resolution, we executed a share transfer agreement on the same date. As we have previously considered re-entering the life insurance industry as a part of our Group's strategies, we intend to re-enter the life insurance industry in Japan by acquiring the shares of PCA LIFE Insurance.

However, if we cannot obtain approval, etc. from the relevant authorities, we may not make PCA LIFE Insurance our subsidiary. If we incur any obligation, cost, or liability not expected in advance in the progress of future business, our financial condition and results of operations may be adversely affected.

7) Risks relating to entering new businesses

Based on the corporate mission of becoming a "New Industry Creator," we are aggressively creating and nurturing new businesses. If our new businesses are unable to achieve their business plans as originally formulated, and if they are unable to record earnings commensurate with their initial investments, such failure could have an adverse effect on our financial condition and results of operations. In addition, our new businesses could become subject to new laws and regulations or be placed under the guidance of particular regulatory authorities. Any violations by our new businesses of the laws, regulations or guidance that is applicable to them, and any administrative or legal actions directed at them, could impede the conduct of their operations and have an adverse effect on our financial condition and results of operations.

8) Risks relating to being a financial conglomerate

We are classified as a financial conglomerate as defined by the regulations of Financial Services Agency (FSA). As a result, we are further strengthening our risk management and compliance systems in order to maintain financial soundness, and to conduct business activities properly. However, if we are subject to an administrative action by FSA, for whatever reason, we may have difficulty conducting our business operations, or it could adversely affect our financial condition and results of operations.

9) Risks relating to investment securities

We hold a large amount of investment securities, including investments in affiliated companies. We could experience impairment losses on our investment securities as a result of declines in their value, which could adversely affect our financial condition and results of operations.

10) Litigation risk

We are exposed to litigation risk relating to the operations of our business segments on an on-going basis. While we cannot predict the outcome of any pending or future litigation, given the inherent unpredictability of litigation, it is possible that an adverse outcome in any one or more matters could have an adverse effect on our financial condition and results of operations.

11) Risk relating to risk management and internal control

We have established risk management and internal control systems and procedures. Certain areas within our risk management and internal control systems may require constant monitoring, maintenance and continual improvements by our senior management and staff. If our efforts to maintain these systems are provided to be ineffective or inadequate, we may be subject to sanctions or penalties and our financial condition, results of operations, business prospects and reputation may be adversely affected.

Our internal control system, no matter how sophisticated in design, still contains inherent limitations caused by misjudgment or fault. As such, there is no assurance that our risk management and internal control systems are adequate or effective notwithstanding our efforts and any failure to address any internal control matters could result in investigations and/or disciplinary actions or even prosecution being taken against our Group and/or our employees, disruption to our risk management system, and have an adverse effect on our financial condition and results of operations.

12) Risks relating to funding liquidity

We raise working capital through various means, including equity finance in the capital markets, loans from financial institutions, and issuances of corporate bonds. Due to the global economic crisis and the resulting deterioration in the global credit markets, including reduced lending by financial institutions, we may face difficulty raising funds under favorable conditions or at all. In addition, potential downgrades to our credit ratings could interfere with our ability to raise funds from external sources. In such circumstances our access to funds could be restricted, and our financing costs could increase. Any such events could adversely affect our financial condition and results of operations.

13) Derivatives risk

We utilize derivative instruments to reduce investment portfolio price fluctuations and to manage interest rate and foreign exchange rate risk. However, we may not be able to successfully manage our risks through the use of derivatives. Counterparties may fail to honor the terms of their derivatives contracts with us. Alternatively, our ability to enter into derivative transactions may be adversely affected if our credit ratings are downgraded.

We may also suffer losses from trading activities, a part of which includes the use of derivative instruments. As a result, our financial condition and results of operations could be adversely affected.

14) We depend in part on payments from our subsidiaries and other entities

We depend in part on dividends, distributions and others from our subsidiaries and other entities, such as partnerships and other investment vehicles, to fund payments on our obligations, including our debt obligations. Regulatory and other legal restrictions, including contractual restrictions, may limit our ability to transfer funds to or from our subsidiaries and other entities. Some of our subsidiaries and other entities which we depend on, in part, for payments are subject to laws and regulations that authorize regulatory bodies, such as board of directors, to block or reduce the flow of funds to us, or that prohibit such transfers altogether in certain circumstances. These laws and regulations may hinder our ability to access funds that we may need to make payments on our obligations. Such cases could adversely affect our financial condition and results of operations.

15) Reliance on key personnel

Our business operations depend on the leadership of our Representative Director, President and Chief Executive Officer, Mr. Yoshitaka Kitao, and other key members of our management team. If one or more of our current management teams becomes unable to continue to operate our businesses, such event could adversely affect our financial condition and results of operations. Any remedial action adopted by management to deal with a loss of key personnel may not take effect immediately or at all.

16) Risks relating to employees

We employ who we consider highly skilled and qualified personnel to work under our management team. If we are unable to continue to engage highly skilled and qualified personnel of the requisite caliber and skills, this could adversely affect our financial condition and results of operations.

17) Risks relating to trademarks and other intellectual property rights

Our businesses involve various types of intellectual property, including patents, copyrights and other forms of intellectual property, particularly those related to our "SBI" brand. We rely on our ability to protect the intellectual property we own and use in our business. If we fail to sufficiently protect our intellectual property, or if we are unable to acquire the necessary licenses for the use of third-party intellectual property, we may experience difficulty in developing technologies or providing services. Also, we may be the subject of legal actions brought by third parties alleging infringement of their intellectual property. In addition, we may experience increased costs in connection with intellectual property, especially those related to copyright. Such additional costs could have an adverse effect on our financial condition and results of operations.

18) Risks relating to enactment of, or changes in, laws, regulations and accounting standards

Enactment of, or changes in, laws and regulations may affect the way that we conduct our business, the products or services that we may offer in Japan or overseas, as well as our customers, borrowers, Group companies and funding sources. Such enactment or changes are unpredictable and may cause our costs to increase. As a result of such enactment or changes, our business activities, financial condition and results of operations could be adversely affected.

Withdrawal or amendment of any regulatory approval or of any exemption from registration in respect of any part of our Group's activities or any of our funds in any jurisdiction might oblige us to cease conducting a particular business or change the way in which it is conducted. Similarly, the withdrawal of either a license or an approval of one or more individuals would hinder their ability to perform their current role. The carrying on of regulated activities by unauthorized persons could have a number of consequences including the possibility of agreements made in the course of carrying on such activities being unenforceable.

Enactment of, or changes in, accounting standards may have a significant effect on how we record and report our financial condition and results of operations, even if our underlying business fundamentals remain the same. As a result of such enactment or changes, our business activities, our financial condition and results of operations could be adversely affected.

19) Risks relating to deferred tax assets

Temporary differences occurring between the financial statements and the tax bases of assets and liabilities are posted to deferred tax assets using the statutory effective tax rate applied when the difference is dissolved.

If there is a tax reform and change in the statutory effective tax rate, we may reduce or increase the deferred tax assets. Such events could have an adverse effect on our financial condition and results of operations.

A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Company is able to realize their benefits, or that future deductibility is uncertain. Loss carried forward can be posted as deferred tax assets to the extent of the amount recoverable, and our Group posts deferred tax assets based on the assumption of recoverability.

Each Group company calculates the estimated future recoverable tax amount based on the expected amount of future taxable income. While we presume that it is quite possible to realize the deferred tax assets after valuation allowance, the amount of valuation allowance may fluctuate depending on any changes in the expected amount of future taxable income. Such changes could have an adverse effect on our financial condition and results of operations.

20) Risks relating to insurance coverage

To manage operating risks, we maintain in our Group companies insurance coverage of various kinds. However, we cannot assure you that all claims under their insurance policies will be honored fully or on time. Furthermore, we are generally unable to insure against certain types of losses, including losses caused by earthquakes, typhoons, floods, wars and riots. To the extent that any of our Group companies suffer loss or damage that is not covered by insurance or that exceeds the limit of its insurance coverage, our financial condition and results of operations may be adversely affected.

21) Past results may not be indicative of future performance

Our historical financial information may not necessarily reflect our financial condition or results of operations in the future. We may experience slower growth in some of our businesses and we may not be successful in launching new businesses. New businesses may not achieve as quick or as large growth as anticipated, and our multiple business strategy may not be successful and we may not be able to successfully integrate future businesses or assets into our existing operations.

22) We may suffer substantial losses in the event of a natural disaster, such as an earthquake, terrorist attack or other casualty event in Japan or other markets in which we operate

A substantial portion of our assets, as well as our head office, are located in Japan and a substantial portion of our net sales are derived from our operations in Japan. Our overseas operations are subject to similar or other disaster risks. Additionally, large disasters, outbreaks, terrorist attacks or other casualty events affecting our operational network, either in Japan or overseas, could disrupt our operations even in the absence of direct physical damage to our properties or cause a material economic downturn in the affected area or country, which in turn could result in significant interruptions to or an adverse effect on our businesses, financial condition and results of operations.

23) Risks relating to our investments, development of our business, funding and legal regulations in overseas operation

We are actively investing and promoting business development in overseas countries. In these cases, we do have risks relating to increasing cost or losses unique to overseas business due to different factors from those in Japan, such as systems including laws and regulations, business practice, economic status, corporate culture, consumer attitude and others in overseas countries. We implement investments and business development of our operations in overseas countries after careful investigations, examinations and taking countermeasures for these risks. Nevertheless, if some events, which we could not estimate at the beginning, occur, such events could have an adverse effect on our financial condition and results of operations.

In addition, there is an increasing tendency of ratios of foreign shareholders in our shareholders. Therefore, it may be expected that we perform as the result the financing in foreign countries regardless of our intention. As a result, we may be affected by foreign laws and regulations, particularly those for investors' protection, which may cause our expenses to increase and business to be restricted. Furthermore, we may increase foreign currency debt finances for the purpose of hedging foreign currency risks by borrowing from financial institutions in overseas countries or by issuing corporate bonds in overseas countries. Even if we implement these after careful investigation and examination for these risks, some events, which we could not estimate at the beginning, may occur. Such events could have an adverse effect on our financial condition and results of operations.

In addition to above, application of laws and regulations in overseas countries, such as the Bribery Act 2010 in UK and the Foreign Corrupt Practices Act in U.S., might extend into our Group in other countries including Japan. We have responded to a variety of these laws and regulations after careful investigations and examinations for these risks, but some unexpected events may occur. Such cases could adversely affect our financial condition and results of operations.

24) We cannot guarantee the accuracy of facts and statistics with respect to certain information obtained from official governmental sources and other data

Facts and statistics relating to Japan, the Japanese economy and the financial sector (including the financial services industry) and other sectors in which we operate derived from official government or other industry sources are generally believed to be reliable. However, we cannot guarantee the quality or reliability of such information. We have not prepared or verified the accuracy of the information received from such sources. We make no representation as to the accuracy or completeness of such facts and statistics from these sources. Furthermore, there can be no assurance that these sources have stated or compiled such facts and figures on the same basis or with the same degree of accuracy or completeness as may be the case elsewhere. In all cases, you should not unduly rely on these facts and statistics.

25) Risks with respect to transactions with anti-social forces

In order to exclude any transaction with a party which is suspected to have a relationship with an anti-social force, we have taken the necessary measures to exclude all transactions with anti-social forces by, prior to entering into a new transaction, confirming whether there is information with respect to a relationship with an anti-social force and executing representation and a letter of pledge that the counterparty to the transaction is not an anti-social force. However, in spite of our strict investigation, there may be cases where we do not exclude a transaction with an anti-social force. If such transaction is found, our business may be restricted or suspended by regulatory authorities, etc. or we may be subject to a disposition or order such as an administrative monetary penalty payment order, and our social reputation may also be impaired.