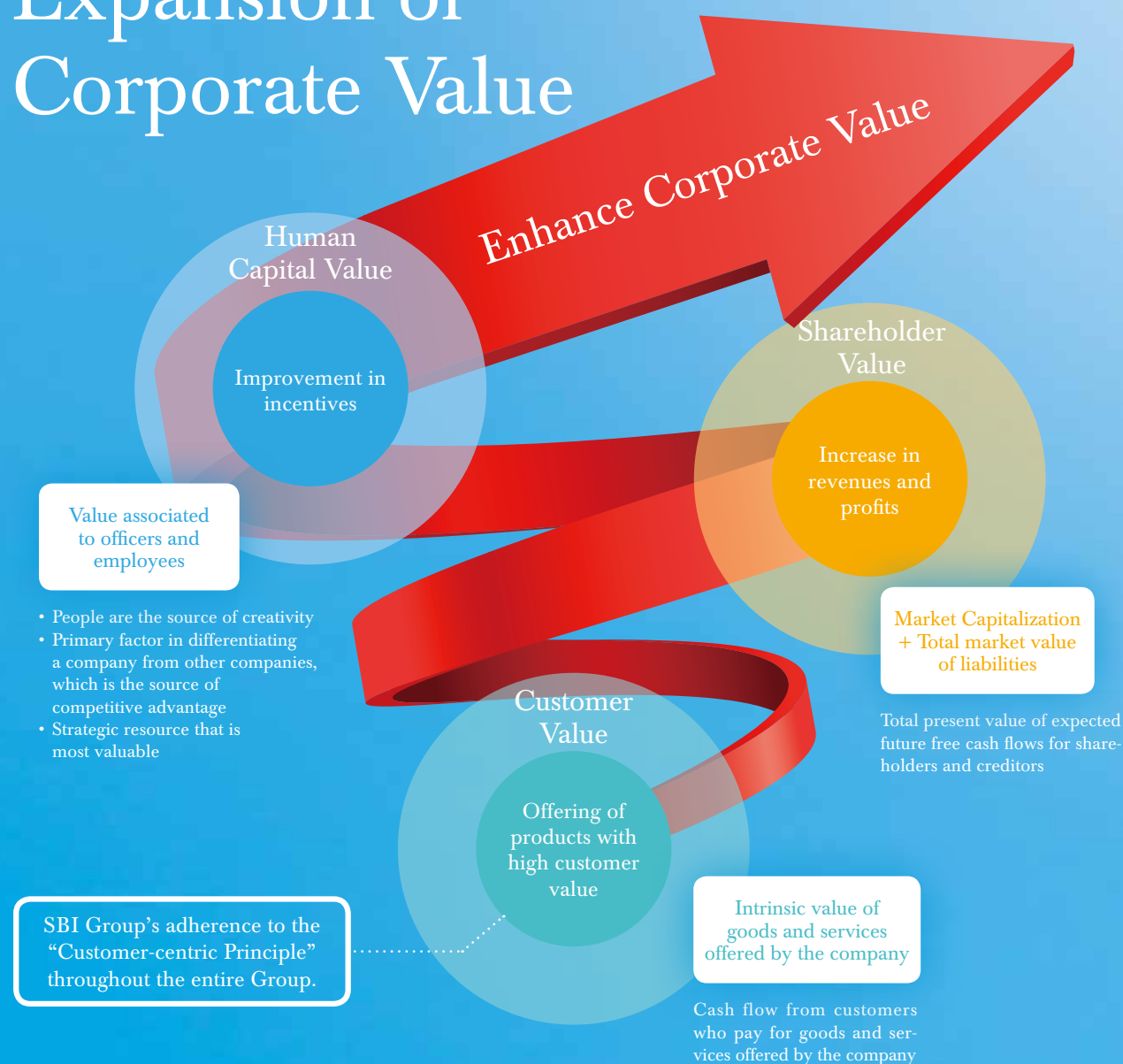


Toward a Sustainable Expansion of Corporate Value



The SBI Group defines corporate value as an aggregation of customer value, shareholder value and human capital value. Customer value is the intrinsic value of the goods and services offered by the company. It is also the cash flow from the customers who pay for the goods and services of the company. Shareholder value is the sum of the total market capitalization and total market value of liabilities. It represents the total present value of free cash flows that are expected to be received by the shareholders and creditors of the company in the future. Human capital value is the value attached to the officers and employees of the company. The SBI Group regards people as its most valuable strategic resource. They are the primary factor in the differentiation of a company from other companies, which is a source of competitive advantage for that company.

The SBI Group believes that the creation of customer value is the foundation of corporate value. Customer value, shareholder value and human capital value are mutually interconnected, and increase over time in a virtuous cycle. Based on this definition, the SBI Group is endeavoring various measures to maximize its corporate value.

Customer-centric Principle

Achieved overwhelming price competitiveness by utilizing the Internet

The best services in the industry

Providing a wide range of products and services

Ensuring customer satisfaction

Earned high evaluations for customer satisfaction from third party assessment institutions

Generating cash flows through “Selection and Concentration”

Improving earnings capacity through an intensive investment of capital into the Group’s core businesses

Balanced allocations of cash to shareholder returns and future investments

Reducing interest-bearing debt

Recruitment

Ensuring a talented pool of employees through continuous new graduate and mid-career hires

Human resource development

Training at the SBI Graduate School, and fast-tracking of talented young employees for key posts

Increasing incentives

Issuance of stock options and enhancement of welfare systems

Customer Value

Realized a customer base growth to approximately 18 million, through the adherence to the “Customer-centric Principle”

The SBI Group endeavors to maximize customer value by consistently adhering to the “Customer-centric Principle” throughout the entire Group. The Group, especially in the Financial Services Business, thoroughly pursues the benefit of customers in a number of ways, including offering overwhelmingly low commissions and insurance premiums, and deposit products with favorable interest rates. At the same time, Group companies provide the highest level of service in the industry by enhancing their product ranges from the customer’s perspective, and delivering a wide range of services that combine convenience with strong security. This is reflected in consistently achieving high customer satisfaction, as conducted by third party research organizations, and in the growth of the Group-level customer base to approximately 18 million.

Shareholder Value

Improving shareholder value through business “Selection and Concentration”

The SBI Group is actively pursuing business “Selection and Concentration” including the sale of its non-core businesses, IPOs and an in-depth restructuring of the Group’s internal organization, to maximize cash flows and to strengthen its earnings capacity by concentrating capital into its core businesses. The acquired earnings and the cash generated through the business “Selection and Concentration” will be allocated to both shareholder returns, such as dividend increases and share buybacks, and investments for future business expansion and growth. This balanced allocation of capital will allow the Group to increase its shareholder value. In addition to the generation of cash flows, the Group will also endeavor to reduce interest costs by using a portion of the cash toward the repayment of interest-bearing debt, as well as for preparations to refinance interest-bearing debt at lower interest rates.

Human Capital Value

Securing human capital which is the source of corporate competitiveness

Along with the SBI Group’s growth, both new graduates and mid-career employees have been continuously hired in Japan and abroad, securing a talented pool of employees who are the source of corporate competitiveness. Furthermore, the Group focuses on the development of talented employees, as it provides employees with training opportunities, including MBA and senior management courses at the SBI Graduate School. The evaluation of employees is made on the extent of their achievements, without regard to nationality, age, gender, or other attributes. For example, female employees are actively promoted to managers, and talented young employees are promoted to positions such as officers of Group companies. Additionally, the SBI Group has enhanced its employee incentive programs, including the issuance of stock options, enhancement of welfare systems and the abolishment of upper age limits for reemployment after retirement age.

Special Feature:
Toward a Sustainable Expansion of Corporate Value

Promoting New Initiatives as a Financial Innovator

Since its establishment, the SBI Group has formed the world's first Internet-based financial conglomerate, providing financial services in a wide range of categories, including securities, banking and insurance. The Group has also achieved dramatic growth by maximizing synergies among its businesses, and will promote new initiatives as a financial innovator.

With Competition having Concluded with Other Online Securities Companies, Now Challenging Major Face-to-face Securities Companies

SBI SECURITIES has grown to lead other online securities companies, in terms of customer base, stock brokerage trading value share and earnings capacity. Therefore, the Group believes that the competition with other online securities companies has concluded, and is now promoting a further expansion of its corporate business to rank among the major face-to-face securities companies, on the basis of a retail business that is clearly superior to the face-to-face securities companies, as evidenced by its individual stock brokerage trading value.

Further Strengthening the Retail Business that is Clearly Superior to the Major Face-to-face Securities Companies

SBI SECURITIES has been purchasing structured bonds from other financial institutions, and selling them in collaboration with SBI MONEY PLAZA. In order to reduce its cost incurred to financial institutions outside of the SBI Group, and to increase the profit return ratio to its customers, the origination process for structured bonds will be internalized, from the development to the management of the bonds. Through strategies such as this, the Group will further strengthen the retail business, which is clearly superior to the major face-to-face securities companies. In order to accelerate the efforts to internally originate structured bonds, SBI SECURITIES further strengthened its structured bond team by acquiring Book Field Capital Co., Ltd., which possesses specialized expertise in this area, as a wholly owned subsidiary in April 2015.

In addition, the Group is working to expand its foreign exchange operations into Asia to realize a further business expansion of the foreign exchange-related business, which has strong synergies with SBI SECURITIES. In May 2015, the Group established a subsidiary in Hong Kong to act as a hub for foreign exchange trading services in Mainland China and neighboring Asian countries, and will be positioned to ensure the liquidity of foreign exchange transactions in this region through this new company.

Further Strengthening the Corporate Business to Rank among the Major Face-to-face Securities Companies

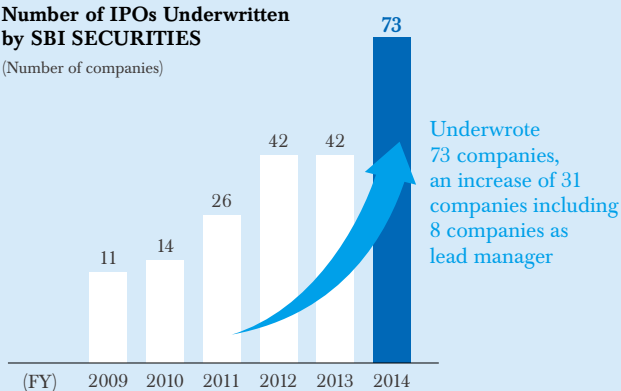
The Group strategy to compete with the major face-to-face securities companies is to further buttress its underwriting, distribution and trading operations. In FY2014, SBI SECURITIES underwrote initial public offerings (IPOs) for 73 companies, and leads the industry in terms of both the company's involvement in 84.9% of IPOs underwritten and the number of companies for which it provided underwriting services. Among those, SBI SECURITIES was a lead manager for 8 companies, and for FY2015, it is targeting a lead manager position for 10 or more companies. SBI SECURITIES will continue to strengthen its IPO underwriting business, while also taking advantage of the customer base of SBI MONEY PLAZA, to expand the public offerings (POs) for existing public companies.

Established a New System Development Company to Reduce System-related Costs

In July 2015, the SBI Group established a system development company that develops unique online systems for internal and external use, for the online securities business. This company will bring together all of the system development know-how that was accumulated within the SBI Group. The Group is endeavoring to reduce

Number of IPOs Underwritten by SBI SECURITIES

(Number of companies)



its system-related costs incurred by SBI SECURITIES through the establishment of this company. In the medium- to long-term perspective, the company is considering to offer system development services for internal and external use, not only for the securities business, but also for the banking and insurance businesses.

Strengthening the Earnings Capacity of the Banking Business through Group Collaborations

SBI Sumishin Net Bank is the leading pure-play Internet bank in Japan. In April 2015, the Bank determined to acquire SBI Card as its subsidiary, thus allowing the Bank to make a full-fledged entry into the credit card business. The card business will be developed into one of the Bank's core businesses through an integrated management, including the development of card loans and other products that have a close affinity to the products and services offered by the Bank. The Bank will also encourage the issuance of cards both within and outside of the SBI Group through the establishment of a committee composed of members from affiliated companies, and the cooperation of marketing strategies within the Group companies. Furthermore, through the enhancement of systems and functions as a subsidiary of the Bank, it will promote a full-scale acquisition of new customers, along with an improvement of revenue sources, which will lead to an early transition to profitability for the card business.

In addition, SBI Sumishin Net Bank will target further improvements in the earnings capacity of the banking business, by thoroughly pursuing synergies with SBI MONEY PLAZA, which provides the Group with a common infrastructure for the Financial Services Business. SBI MONEY PLAZA began a bank agency business in March 2015, that allows SBI MONEY PLAZA to offer ordinary yen deposits and time deposit accounts at its seven directly-managed SBI MONEY PLAZA shops, as well as the "MR. Housing Loan REAL"

which is an housing loan with special terms, including floating- and fixed-interest rates, which is a dedicated product for bank agencies.

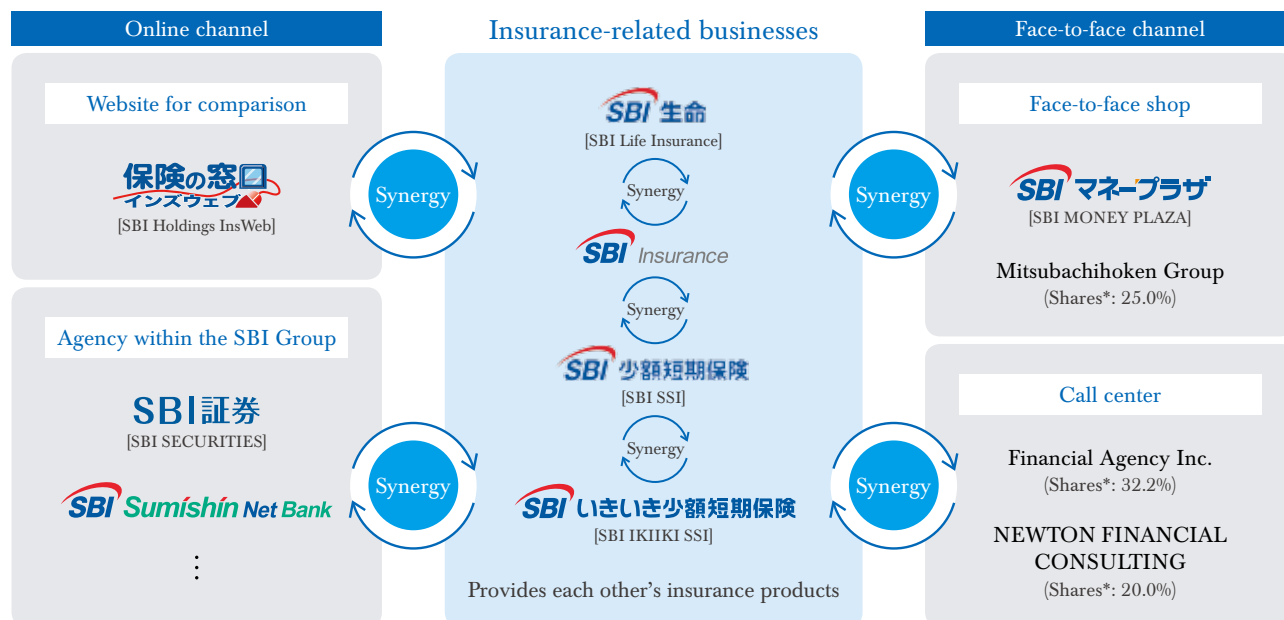
Focusing the Group's Comprehensive Strengths into the Insurance Business

SBI Insurance is expected to achieve yearly profitability in FY2015. It is now working to expand its product offering, such as considering the development of fire insurance products. Upon the launch of a fire insurance product, synergies with SBI Sumishin Net Bank, which deals in housing loans, will be thoroughly pursued.

In February 2015, the SBI Group re-entered into the life insurance business, by acquiring SBI Life Insurance (formerly PCA Life Insurance) as a consolidated subsidiary. In order to resume the procurement of new contracts, which has been suspended since February 2010, SBI Life Insurance is currently preparing for the start of the procurement of new contracts, including the expansion of its work force, the development of a sales structure, and the launch of a company-wide project team inaugurated for product development. With the pure-play online life insurance companies showing the limitations of growth in their business through a decline in the number of new policies written, SBI Life Insurance will seek to expand its business scale through the maximum utilization of the Group's customer base and sales channels, regardless of whether they may be online or face-to-face.

The SBI Group is also making preparations for a foray into the reinsurance business to strengthen the earnings capacity of the insurance business. By establishing a reinsurance company, and aggregating the reinsurance premiums paid to external reinsurance companies, the Group is seeking a reduction in its total reinsurance payments paid to external sources. Furthermore, the Group is exploring the possibility of establishing an insurance holding company to maximize efficiency and synergy in the insurance business.

Group Synergies in Insurance Business



* Shares: SBI Holdings' shareholding percentage corresponds to a total percentage based on the IFRSs criteria for subsidiary companies and subsidiary funds of the Group. (As of March 31, 2015)

Special Feature:
Toward a Sustainable Expansion of Corporate Value

Thorough Pursuit of Scale Expansion and Improvements in Investment Quality



The SBI Group, through its venture capital funds, is endeavoring to cultivate the core industries of the 21st century from its investments into domestic companies by enhancing their enterprise value. Also, a global asset management operation is being undertaken through venture capital investments with prominent local partners, focused primarily in the emerging countries of Asia. Furthermore, by utilizing the know-how that was accumulated in Japan, with due consideration of the circumstances of each country, and with the cooperation of prominent local partners, the Group is promoting the establishment of a financial ecosystem abroad, focusing primarily on Asia.

Expanding Operational Scale through the Strengthening of Every Value Chain

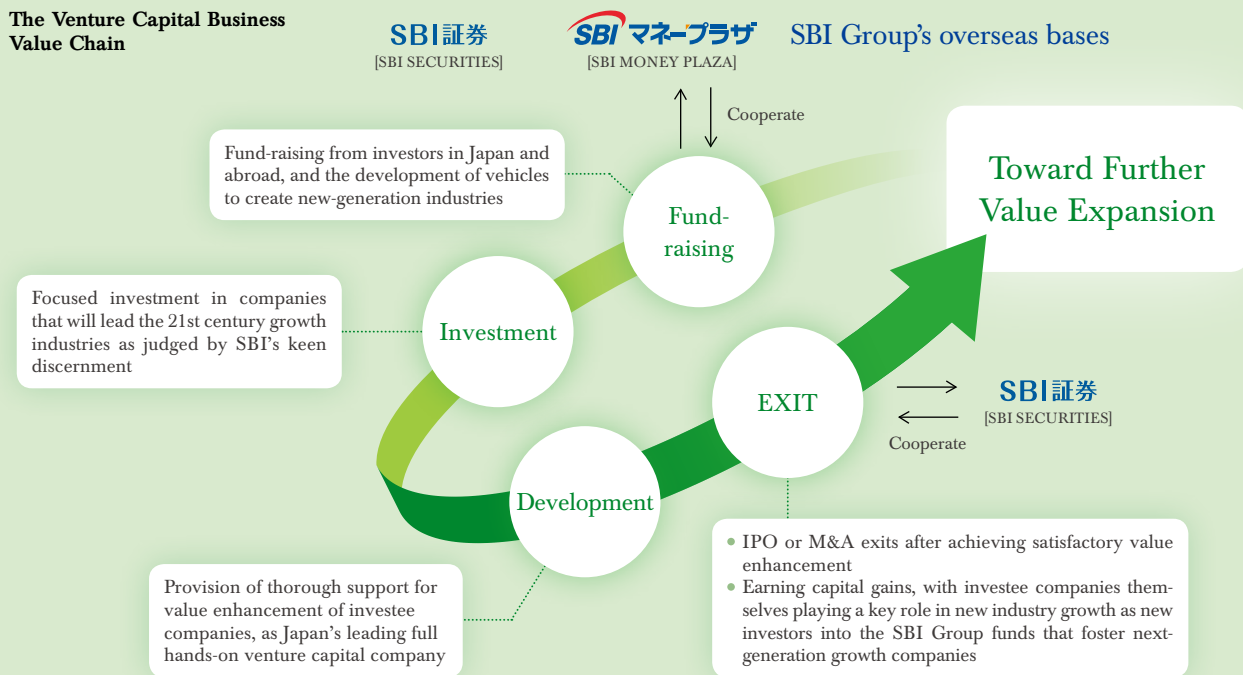
In the venture capital business, the SBI Group is endeavoring to expand the operational scale in Japan and abroad. Therefore, the Group is working to strengthen its structure, and deepen the collaboration within the SBI Group across the value chain, from fundraising and investments to the development of investee companies, and the realization of exits.

Domestically, SBI Investment established a ¥15 billion flagship fund that targets next-generation promising unlisted companies, in fields such as IT, environment and energy, and healthcare. It is now

preparing to form three new funds of a similar size in FY2015.

Overseas, the existing Number 1 Funds, which were established with prominent local partners, are steadily delivering results, and preparations are underway to establish the Number 2 Funds, which will be larger than the former funds, by securing capital contributions from outside investors in Malaysia, Brunei and Taiwan. Furthermore, in Korea, a total of five funds were commissioned by government agencies to be managed by SBI Investment KOREA since January 2014. Furthermore, SBI Investment KOREA is endeavoring to be selected to manage another five funds, and is also in discussions with major domestic and overseas financial groups about the establishment of other funds.

The Venture Capital Business Value Chain



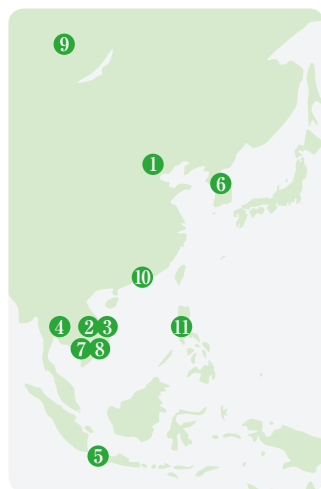
Expanding the Financial Services Business Overseas, to become the “World’s SBI”

With the addition of the life insurance business, the SBI Group has completed its financial ecosystem in Japan, so investments into the Financial Services Business in Japan are nearly over. Hereafter, for the transition from “Japan’s SBI” to the “World’s SBI,” the Group goal is the promotion of the establishment of financial ecosystems abroad, in collaboration with prominent overseas partners, through the transference of the know-how and expertise accumulated by the

SBI Group from the development of its financial services business in Japan.

As recently as March 2015, a memorandum of understanding on a business alliance to provide online financial services for retail customers with the Rizal Commercial Banking Corporation (RCBC), which is the commercial bank under the aegis of the Yuchengco Group, a financial conglomerate in the Philippines, was signed. In the autumn of 2015, the Group will also start operation of the first ever pure-play online securities company in Thailand through a joint venture with Finasia Syrus Securities Public Company Limited.

Expansion of Financial Services Business Overseas



1		Tianan Insurance Nonlife Insurance 1.7% shareholding; invested in July 2010	6		SBI Savings Bank Bank 98.4% shareholding; initially invested in May 2002
2		TPBank Bank 19.9% shareholding; invested in Aug. 2009	7		Phnom Penh Commercial Bank Bank 47.6% shareholding; invested since its Sept. 2008 launch
3		FPT Securities Securities 20.0% shareholding; invested in Apr. 2011	8		SBI Royal Securities Securities 65.3% shareholding; established in Feb. 2010
4		SBI Thai Online Securities Securities 55.0% shareholding; established in Oct. 2014	9		YAR Bank Bank 50.0% shareholding; invested in June 2011 (Commercial Bank under METROPOL)
5		BNI Securities Securities 25.0% shareholding; invested in July 2011	10		SW Kingsway Securities 2.2% shareholding; invested in Apr. 2004
11		Through a business alliance with the commercial bank under the aegis of the Yuchengco Group, a leading financial conglomerate in the Philippines, considering the provision of a variety of online financial services, including banking, securities and insurance for retail customers			

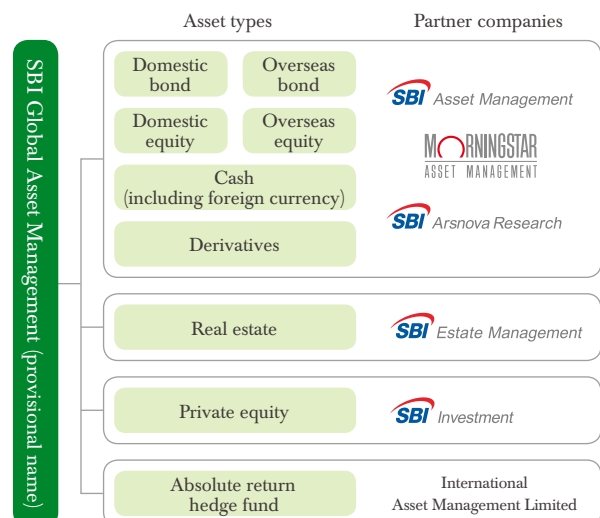
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Restructuring and Strengthening of the Group’s Asset Management Structure

With the dramatic increase in the total amount of assets under management, the SBI Group has initiated the restructuring and strengthening of its asset management structure. Preparations are currently being made for the establishment of a new company, SBI Global Asset Management (provisional name) to preside over the asset management divisions of the Group’s institutional investors. This new company will provide SBI Group companies with the asset management know-how, and further options for asset management products, as well as expanding the operational scale by providing unique financial products through SBI SECURITIES and SBI MONEY PLAZA to general investors, for fund raising purposes.

In May 2015, the SBI Group also signed a memorandum of understanding with International Asset Management Limited (IAM), a major hedge fund manager with offices in London, New York and Stockholm. Under this memorandum, IAM will provide a variety of hedge fund investment products for use in an own-account investment by financial institutions of the SBI Group. At the same time, it will also create new opportunities for individual investors and others, to invest in hedge funds by establishing exclusive funds

for investors who are customers of SBI SECURITIES and other SBI Group companies.



5-ALA-related Business Transitioning to the Monetization Phase



SBI Pharmaceuticals is engaged in the research and development of pharmaceuticals, health foods and cosmetics, with 5-aminolevulinic acid (5-ALA) as their main ingredient, and is actively involved in joint research with research organizations in Japan and abroad. Multiple research efforts on the effects of 5-ALA on various target illnesses are proceeding simultaneously, by utilizing a global research network. The 5-ALA-related business is about to transition from the preparation phase to the monetization phase.

5-ALA, an Amino Acid Necessary for Energy Production

5-ALA, which is contained in all organisms, is a natural amino acid produced in the mitochondria, which are the cell's energy factory. It is a fundamental substance of life and a basic ingredient of the heme and cytochrome proteins, which are essential for energy production.

Mitochondria disorders cause energy shortages and slows down metabolism, resulting in the cause of various kinds of adverse physical conditions, and is considered a trigger for increased aging. In addition, since the amount of moisture produced through energy production declines, the relevance with skin dryness has been pointed out as well.

With reference to 5-ALA, while it is utilized in health foods and cosmetics, basic research on drugs to cure various diseases are proceeding. Also, with the elucidation of the physiological functions of 5-ALA, it is gaining attention for possible applications in a wide range of areas. In September 2013, SBI Pharmaceuticals launched ALAGLIO®, an in vivo diagnostic agent used during the surgical resection of malignant glioma.

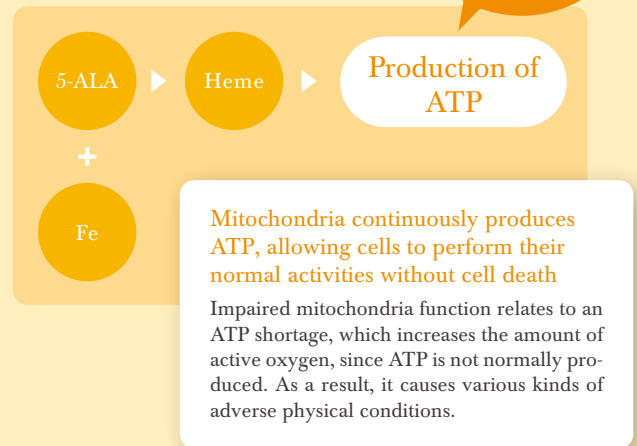
Research on the Effects of 5-ALA on Various Target Illnesses is Proceeding

SBI Pharmaceuticals has built a global research network related to 5-ALA, linking over 90 universities and research organizations in Japan and abroad. Basic research and clinical trials are in progress concerning the use of 5-ALA to treat multiple target illnesses. There has been steady progress on research in numerous fields, including chemotherapy-induced anemia under anticancer drug treatment and metabolic diseases, such as diabetes and chronic and kidney disease, and neurogenic disease, such as Alzheimer's disease and Parkinson's disease, as well as mitochondrial disease. Multiple new drugs are expected to be launched going forward.

SBI Pharmaceuticals has obtained 21 patents relating to drugs with 5-ALA as their active ingredient, for use in the prevention and mitigation of cancer and adult diseases in Japan. It is also progressively obtaining patents overseas.

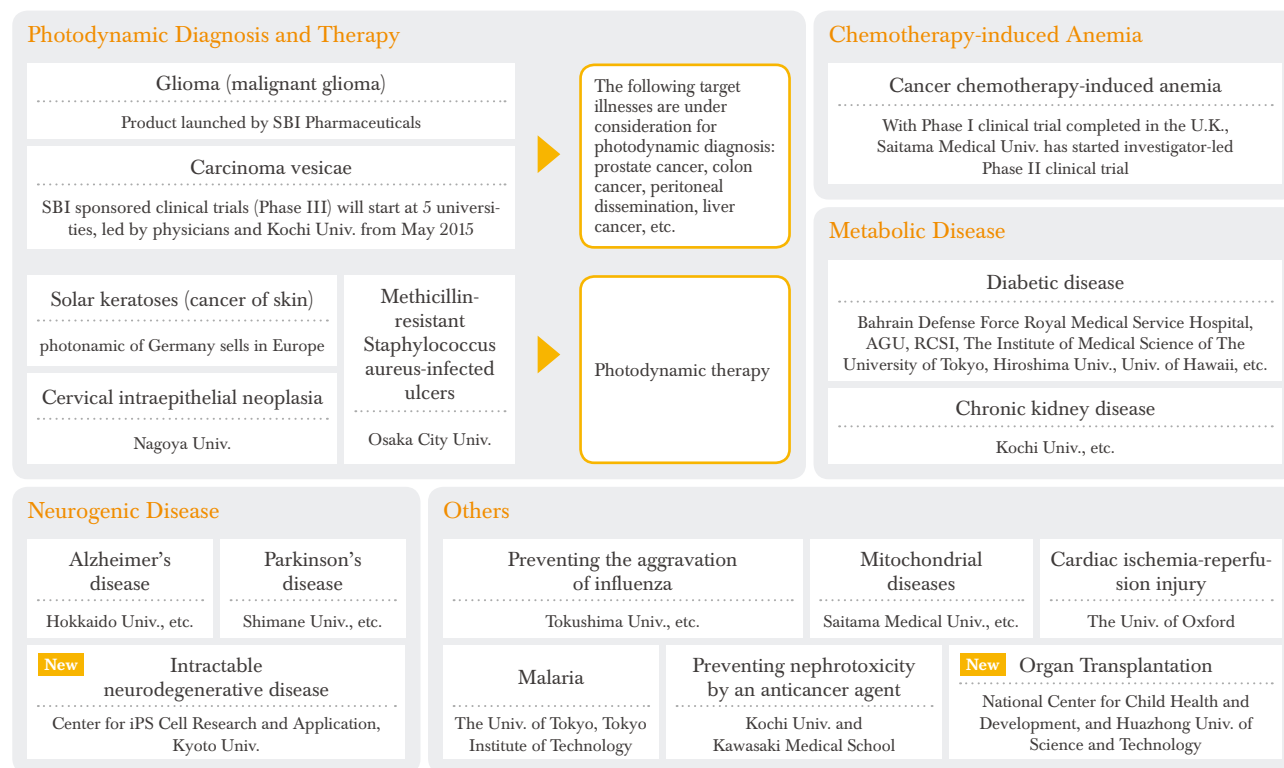
5-ALA is Essential for Energy Production

5-ALA and energy generation in mitochondria



5-ALA, a natural amino acid, is contained in all organisms. It is a precursor of heme, which is very important for energy production, and a fundamental substance of life

Basic Research and Clinical Research of 5-ALA and Porphyrin Proceeding on Target Diseases



(Compiled by the Company from materials by 5-ALA and Porphyrin Research Society)

Endeavoring Monetization through the Implementation of Strategic Alliances

In January 2015, SBI Pharmaceuticals and Cosmo Oil Co., Ltd. signed a patent licensing agreement that ensures a stable supply of 5-ALA-related products. With this agreement, SBI Pharmaceuticals has created a business infrastructure in preparation for an integrated system extending from the development of pharmaceuticals, health foods and cosmetics containing 5-ALA, to the manufacture and sales of these products. Going forward, SBI Pharmaceuticals will endeavor to establish production bases in various parts of the world, as part of a production structure that will support the reliable supply of 5-ALA-related products on a global scale, and also allow SBI Pharmaceuticals to achieve major reductions in manufacturing costs.

To achieve the monetization of the 5-ALA-related business, strengthening the global development and sales structures will be necessary. In China, Suzhou Yian Biotech Co., Ltd., in which SBI has a 40% shareholding, plans to distribute health foods containing 5-ALA. The product license for this product has already passed a review by the Food and Drug Administration of Zhejiang province, and an application to the Chinese Food and Drug Administration (CFDA) was also accepted, and now an answer from their Technical Committee is being awaited. Production facilities for the health foods have already been completed, and equipment is now being installed. Preparations are underway for the start of production, once the

product licenses are obtained.

In the Middle East, in which the SBI Group regards as an important base for the 5-ALA-related business, the Group will strengthen the sales of health foods by expanding the distribution area. Whereas the Group has already obtained approval for the sale of health foods containing 5-ALA in Bahrain and the United Arab Emirates, the Group now expects to obtain approval in Jordan as well.

In addition to expanding the sales of health foods containing 5-ALA, SBI Pharmaceuticals also plans to expand its earnings by the licensing-out of technology to major companies in the health food business in Japan. By investing capital earned through these activities into the pharmaceutical area, SBI Pharmaceuticals will further accelerate the development of new products. At SBI ALApromo, preparations are underway for the launch of a new "food with function claims" product from the summer of 2015. Through these initiatives, the Group is endeavoring to achieve an early monetization of the Biotechnology-related Business, as well as to realize an IPO of SBI Pharmaceuticals, which is the core company of this segment, within three years.