

## At a Glance

### Overview of the SBI Group's Business Operations (FY2015)

#### Financial Services Business

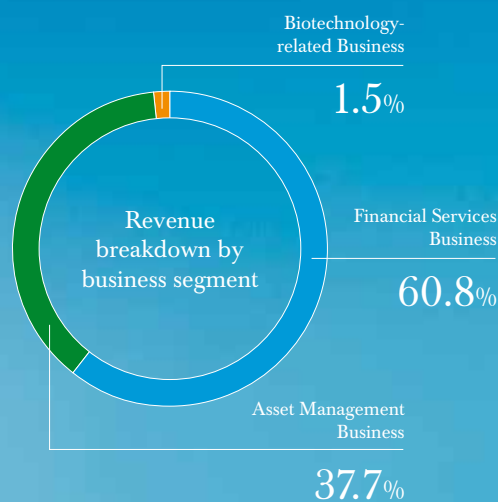
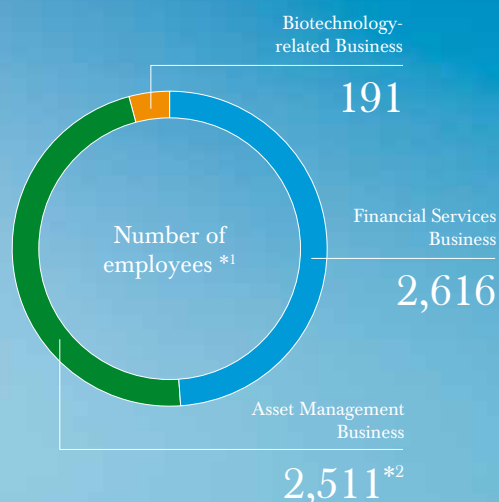
Provision of innovative, highly convenient financial products and services via the Internet

- Securities-related business
- Banking-related business
- Insurance-related business
- Operation of SBI MONEY PLAZA shops
- Operation of comparison, search and cost estimation websites for financial products

Revenue	Profit before income tax expense
¥159.0 billion	¥50.5 billion
YoY ¥1.1 billion ↘	YoY ¥16.1 billion ↘

▶ Starting with the three-year record of SBI SECURITIES—the growth driver for the Group—each major company in the Financial Services Business attained record profits. Furthermore, SBI Insurance and SBI Remit, which had been running deficits, have now achieved their first IFRSs-based full-year profit since their establishment. However, temporary gains were recorded in conjunction with the sale of SBI Mortgage (currently ARUHI) in FY2014. As a result, revenue fell 0.7% year-on-year to ¥159,012 million and profit before income tax expense fell 24.2% year-on-year to ¥50,458 million. When the temporary effect is excluded, profit before income tax expense rose 2.0% year-on-year.

#### Financial Services Business



<sup>\*1</sup> Excluding 162 people, such as shared group employees.

<sup>\*2</sup> Including 1,822 employees of companies acquired for investment development purposes, and deemed to be consolidated subsidiaries as controlled entities.

<sup>\*3</sup> Other than the above, there are other businesses including rent guarantee services for rental housing, and membership-based health services.

## Asset Management Business



## Biotechnology-related Business

### Biotechnology-related Business

Research and development, manufacture and sales of pharmaceuticals, health foods and cosmetics in collaboration with various business partners

- Research and development of medical treatments and pharmaceutical products that utilize leading-edge biotechnologies
- Research and development of pharmaceuticals, health foods and cosmetics containing 5-ALA

## Asset Management Business

Investment in venture companies in Japan and abroad in fields including IT and biotechnology, and provision of asset management-related services

- Venture capital business
- Domestic and overseas investment business
- Overseas financial services business
- Asset management services business

### Revenue

¥98.7 billion

YoY ¥27.4 billion ↗

### Profit before income tax expense

¥18.0 billion

YoY ¥9.1 billion ↗

➤ SBI SAVINGS BANK of South Korea, which completed its business revitalization efforts, had a healthy buildup in its balance of performing loans and its earnings have been strong due to continued growth. This, together with valuation gains arising from increased fair value evaluation centered on listed securities held, has boosted overall segment earnings. Morningstar Japan, which switched the reporting segment to the Asset Management Business starting in FY2015, has achieved a large increase in revenue and profits, also leading to the segment's growth with revenue increasing 38.4% year-on-year to ¥98,725 million, and profit before income tax expense rising 101.8% to ¥17,996 million.

### Revenue

¥4.0 billion

YoY ¥1.8 billion ↗

### Profit before income tax expense

¥(6.6) billion

YoY ¥0.7 billion ↗

➤ In FY2015, Quark Pharmaceuticals, a U.S. subsidiary of SBI Biotech received a \$20 million upfront fee by renewing its option agreement with Novartis International AG of Switzerland for its drug pipeline held. Also, SBI ALAplus in December 2015 started sales of ALAplus Tou (Sugar) Down, a food with function claims containing 5-ALA. Subsequently, sales have become brisk, allowing the overall segment to earn an 84.3% year-on-year increase in revenue to ¥4,021 million, and to improve the loss in profit before income tax expense to ¥6,572 million (compared to ¥7,310 million in the previous fiscal year).