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SBI HOLDINGS, INC.
(Incorporated in Japan with limited liability)
(Stock code: 6488)

**CONVOCATION NOTICE
FOR THE 16TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

The following set out the Convocation Notice for the 16th Ordinary General Meeting of Shareholders of SBI Holdings, Inc. to be held on 27 June 2014.

As the HDR holders of SBI Holdings, Inc. are entitled to instruct the Depository or its nominee to attend and vote at the 16th Ordinary General Meeting of Shareholders, extracted version of this Convocation Notice together with the proxy form for the 16th Ordinary General Meeting of Shareholders will be sent to them by post.

On behalf of the Board
SBI Holdings, Inc.
Yoshitaka Kitao
*Representative Director,
President & Chief Executive Officer*

Japan, 5 June 2014

As of the date of this announcement, the executive Directors are Mr. Yoshitaka Kitao, Mr. Takashi Nakagawa, Mr. Tomoya Asakura, Mr. Shumpei Morita and Mr. Peilung Li, the non-executive Directors are Mr. Masato Takamura, Mr. Hiroshi Tasaka and Mr. Teruhide Sato and the independent non-executive Directors are Mr. Masaki Yoshida, Mr. Kiyoshi Nagano, Mr. Keiji Watanabe, Mr. Akihiro Tamaki and Mr. Masanao Marumono.

Notes:

- (1) This Notice is made for the holders of shares in SBI Holdings, Inc. on 31 March 2014 and is translated from the Japanese Convocation Notice.
- (2) The record date for determining the list of eligible Shareholders entitled to vote at our ordinary general meeting of shareholders is 31 March each year under our Articles of Incorporation. Therefore our shareholders who have acquired our shares after the record date of 31 March 2014 are not entitled to attend and vote at “THE 16TH ORDINARY GENERAL MEETING OF SHAREHOLDERS”. HDR holders who have acquired our HDRs after the record date of 31 March 2014, are not entitled to instruct the Depository or its nominee to attend and vote at “THE 16TH ORDINARY GENERAL MEETING OF SHAREHOLDERS” under the terms of the Depository Agreement.

Securities Code: 8473

June 5, 2014

Yoshitaka Kitao

Representative Director, President & CEO

SBI Holdings, Inc.

1-6-1, Roppongi, Minato-ku, Tokyo, Japan

**CONVOCATION NOTICE
FOR THE 16TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

Notice is hereby given that the 16th Ordinary General Meeting of Shareholders of SBI Holdings, Inc. (the “Company”) will be held as detailed hereinafter, and your attendance is cordially requested.

In the event that you are unable to attend the meeting, you may exercise your voting rights using one of the methods below. To do so, we kindly ask that you first examine “THE REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS” set out later in this document, and then exercise your voting rights by the close of the Company’s business (5:45 p.m., Japan time) on Thursday, June 26, 2014.

Exercise of Voting Rights in Writing

Please indicate on the Voting Rights Exercise Form enclosed herewith your approval or disapproval of the proposals and return the form. The form must reach the Company by the above-mentioned deadline.

Exercise of Voting Rights via the Internet

Please refer to “**How to Exercise Voting Rights via the Internet**” on pages 81 and 82 and exercise your voting rights by the above-mentioned deadline.

Particulars

1. **Date and time:** Friday, June 27, 2014, at 10 a.m., Japan time
2. **Location:** Heian Room, 1st Floor, Main Building, Hotel Okura Tokyo, 2-10-4 Toranomom, Minato-ku, Tokyo, Japan (Please see “**Access to the Meeting Room**” set out at the end of this document.)
3. **Matters to be dealt with at the Meeting:**

Matters for Reporting

1. Report on the Business Report and the Consolidated Financial Statements, and report on results of the audit by the Accounting Auditor and the Board of Statutory Auditors on the Consolidated Financial Statements for the 16th fiscal year (from April 1, 2013 to March 31, 2014)
2. Report on the Non-Consolidated Financial Statements for the 16th fiscal year

Matters for Resolution

- | | |
|--------------------------------|--|
| First Item of Business | Election of Fifteen (15) Directors |
| Second Item of Business | Election of Four (4) Statutory Auditors |
| Third Item of Business | Election of One (1) Substitute Statutory Auditor |

— End of convocation notice —

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- * Attendees are kindly requested to submit the enclosed Voting Rights Exercise Form at the reception desk at the entrance of the meeting room.
 - * If a shareholder exercises voting rights by proxy, another shareholder who holds voting rights may attend the general meeting of shareholders as that proxy. However, please understand that submission of a written document certifying the proxy’s authority is required.
 - * In the event of any changes being made to “THE REFERENCE MATERIALS FOR THE GENERAL MEETING OF SHAREHOLDERS” or to the “Business Report”, “Consolidated Financial Statements”, or the “Non-Consolidated Financial Statements”, matters as changed will be posted on the Company’s website on the Internet.
 - * For the purpose of reducing resource consumption, we will not send notices of resolutions and other notices after the Ordinary General Meeting of Shareholders and will post such notices on the Company’s website on the Internet for this meeting and future meetings. Thank you for your understanding.

The Company’s website (<http://www.sbigroup.co.jp/investors/index.html>)

Information Regarding Debriefing Session on Recent Management News

We hereby inform you that, after the close of the Ordinary General Meeting of Shareholders, we will hold a debriefing session on recent developments in management at the same location.

In this session, held separately from the Ordinary General Meeting of Shareholders, we would like to provide our shareholders with details of the Group's business activities and explain our future prospects. We also hope to address questions or inquiries from our shareholders.

We would be very grateful if you could use some of your valuable time to attend the session, after the Ordinary General Meeting of Shareholders, to further your understanding of the Group.

Attachment

Business Report
(April 1, 2013 to March 31, 2014)

I. GROUP

1. BUSINESS IN THE CONSOLIDATED FISCAL YEAR ENDED MARCH 31, 2014

(1) Progress of Business and Results

During the consolidated fiscal year ended March 31, 2014, the Japanese economy moved on a gradual recovery path with improvements in corporate earnings and consumer spending on the back of further weakening of the yen in the foreign exchange market, monetary and financial measures implemented by the government and the Bank of Japan and other factors. However, future economic prospects remain uncertain due mainly to the concerns about a decline in consumption following the consumption tax increase in April 2014.

Stock markets in Japan and overseas significantly impact businesses related to investment and securities. In the domestic markets, the central bank'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 domestic markets, Tokyo and Nagoya, in the consolidated fiscal year ended March 31, 2014 achieved a high level of 2.4 times that of the year earlier. There were 53 new listings (excluding the number of listings on the TOKYO PRO Market), 1 more than those in the last year, which reflected a continuing recovery of market conditions in Japan. 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, and the number of new listings also rebounded.

In the operating environment surrounding the Internet financial services business, consumers continued to be increasingly aware of the merit of utilizing Internet financial services as they sought the most advantageous conditions available in pursuing financial transactions to protect their livelihood. Consequently, the business remained strong with face-to-face transactions shifting to online transactions. We recognize that the market will demonstrate vigorous growth also going forward despite the expected intensifying competition.

The Group's core businesses are the Financial Services Business, mainly consisting of securities brokerage business, banking business and insurance business, which offers a wide range of financial services, the Asset Management Business which primarily involves fund management and investment in IT, biotechnology, environment and energy, and financial-related venture companies inside and outside of Japan, and the Biotechnology-related Business which represents development and distribution of pharmaceutical products, cosmetics and health foods. The Group is committed to creating more innovative services and businesses for our customers and all our investors and maximizing corporate value, which represents the aggregate of customer value, shareholder value, and human capital value.

The consolidated performance for the fiscal year ended March 31, 2014 resulted in operating revenue of ¥232,822 million (a 51.7% year-on-year increase), operating income of ¥42,224 million (a 154.7% year-on-year increase), profit before income tax expense of ¥38,899 million (a 173.7% year-on-year increase), and profit attributable to owners of the Company of ¥21,439 million (a 569.6% year-on-year increase).

Outline of Each Business Segment

(millions of yen)

	Financial Services Business	Asset Management Business	Biotechnology-related Business	Total	Others	Elimination	Consolidated
Operating revenue	147,835	72,725	2,195	222,755	11,626	(1,559)	232,822
Profit before income tax expense (loss)	37,298	8,990	(2,432)	43,856	2,438	(7,395)	38,899

(i) Financial Services Business

Financial Services Business consists of a wide range of financial related business and the provision of information regarding financial products, including securities brokerage business, banking services business, property and casualty insurance business, financing business offering mortgage loans, credit card business, and leasing business, and these activities are mainly carried out by SBI SECURITIES Co., Ltd., SBI Liquidity Market Co., Ltd., SBI FXTRADE Co., Ltd., SBI MONEY PLAZA Co., Ltd., SBI Japannext Co., Ltd., SBI Sumishin Net Bank, Ltd.(*), SBI Insurance Co., Ltd., SBI Mortgage Co., Ltd. and Morningstar Japan K. K.

The result of operation of Financial Services Business for the consolidated fiscal year ended March 31, 2014 resulted in operating revenue of ¥147,835 million (a 30.4% year-on-year increase) and profit before income tax expense of ¥37,298 million (a 99.0% year-on-year increase).

(*) SBI Sumishin Net Bank, Ltd. is an equity method associate.

(ii) Asset Management Business

Asset Management Business primarily consists of fund management and investment in Internet technology, biotechnology, environment and energy, and financial-related venture companies inside and outside Japan, and these activities are mainly carried out by the Company, SBI Investment Co., Ltd. and SBI CAPITAL Co., Ltd.

The result of operation of Asset Management Business for the consolidated fiscal year ended March 31, 2014 resulted in operating revenue of ¥72,725 million (a 125.8% year-on-year increase) and profit before income tax expense of ¥8,990 million (a 65.0% year-on-year increase). Operating revenue in this reporting segment represents operating revenues mainly arising from operational investment securities and includes the changes of fair values of those investment securities. The result of operation of the Group's investees which are deemed to be controlled by the Group among companies acquired in Asset Management Business is consolidated into the result of operation of this reporting segment.

(iii) Biotechnology-related Business

Biotechnology-related Business represents development and distribution of pharmaceutical products with 5-aminolevulinic acid (ALA) (*), a kind of amino acid which exists in vivo, and cancer- and immune-related pharmaceutical products, and these activities are mainly carried out by SBI Pharmaceuticals Co., Ltd., SBI ALApromo Co., Ltd. and SBI Biotech Co., Ltd.

The result of operation of Biotechnology-related Business for the consolidated fiscal year ended March 31, 2014 resulted in operating revenue of ¥2,195 million (a 126.3% year-on-year increase), and loss before income tax expense amounted to ¥2,432 million (loss before income tax expense was ¥3,900 million for the fiscal year ended March 31, 2013).

(*) 5-aminolevulinic acid (ALA) is an amino acid generated by mitochondria in the human body and is an important substance used to produce heme or cytochrome, which are proteins to generate energy. The production of ALA in the human body decreases with aging. ALA is included in food products including slops of distilled spirits, red wine, and radish shoots. ALA is also known as a chloroplastic substance from plants.

“Elimination” includes those profits or losses that are not allocated to certain business segments and eliminations of the inter-company transactions within the Group, with the price of which being based on the actual market price.

(2) Capital Expenditure

The amount of capital expenditure for the consolidated fiscal year ended March 31, 2014 was ¥8,744 million.

This amount mainly resulted from a capital expenditure made in the amount of ¥6,128 million focusing on enhancement of existing trading systems and software development to provide new services in order to smoothly respond to the increase in the number of orders caused by the increase in the number of customers as well as to provide the customers with expanded services in Financial Services Business.

(3) Financing

In the consolidated fiscal year ended March 31, 2014, the Company raised ¥30,000 million in August 2013 by issuing unsecured bonds and ¥30,000 million in November 2013 by issuing Euro-Yen convertible bonds with share options due 2017, in addition to newly issuing ¥40,000 million in unsecured short-term bonds under the MTN Program. The Company redeemed ¥65,000 million in unsecured short-term bonds under the MTN Program during the consolidated fiscal year ended March 31, 2014, and the amount outstanding as of March 31, 2014 was ¥40,000 million. In March 2014, the Company’s subsidiary SBI SECURITIES Co., Ltd. borrowed a total amount of ¥25,000 million through a syndicated loan in which Mizuho Bank, Ltd. acts as arranger.

2. TRENDS IN GROUP PROPERTY AND GAINS (LOSSES)

Classification	International Financial Reporting Standards (IFRS)		
	14th consolidated fiscal year	15th consolidated fiscal year	16th consolidated fiscal year (consolidated fiscal year ended March 31, 2014)
	April 1, 2011 to March 31, 2012	April 1, 2012 to March 31, 2013	April 1, 2013 to March 31, 2014
Operating revenue <i>(millions of yen)</i>	177,409	153,476	232,822
Operating income <i>(millions of yen)</i>	17,530	16,577	42,224
Profit attributable to owners of the Company <i>(millions of yen)</i>	303	3,202	21,439
Basic earnings per share attributable to owners of the Company <i>(yen)</i>	1.38	14.75	99.04
Total assets <i>(millions of yen)</i>	1,655,568	2,494,387	2,875,304
Total equity <i>(millions of yen)</i>	351,905	360,535	388,463
Equity per share attributable to owners of the Company <i>(yen)</i>	1,347.27	1,401.39	1,504.19

Classification	Japanese Accounting Standard
	13th consolidated fiscal year
	April 1, 2010 to March 31, 2011
Net sales <i>(millions of yen)</i>	141,081
Ordinary income <i>(millions of yen)</i>	3,525
Net income <i>(millions of yen)</i>	4,534
Net income per share <i>(yen)</i>	236.09
Total assets <i>(millions of yen)</i>	1,293,606
Net assets <i>(millions of yen)</i>	456,982
Net assets per share <i>(yen)</i>	19,610.64

(Note)

- From the 15th consolidated fiscal year, the Company has prepared consolidated financial statements in compliance with International Financial Reporting Standards (“IFRS”) under Article 120, Paragraph 1 of Company Accounting Regulations. We have provided several numerical values for the 14th consolidated fiscal year that comply with IFRS as comparative information for the 15th consolidated fiscal year.
- “Basic earnings per share attributable to owners of the Company” and “Equity per share attributable to owners of the Company” for the 14th and the 15th consolidated fiscal year provided in compliance with IFRS are calculated in accordance with the new number of shares retrospectively adjusted, based on the number of shares after the Company conducted a 10 for 1 stock split, effective on October 1, 2012.

3. IMPORTANT PARENT COMPANY AND SUBSIDIARIES

(1) Status of Parent Company

Not Applicable

(2) Important Subsidiaries

Business Segment	Name	Ownership Ratio of Voting Rights or Investment Ratio (%) (Note 1)
Financial Services Business	SBI FINANCIAL SERVICES Co., Ltd.	100.0
	SBI SECURITIES Co., Ltd.	100.0 (100.0)
	SBI Liquidity Market Co., Ltd.	100.0 (100.0)
	SBI FXTRADE Co., Ltd. (Note 2)	100.0 (100.0)
	SBI MONEY PLAZA Co., Ltd.	100.0 (100.0)
	SBI Japannext Co., Ltd.	52.8 (9.9)
	SBI Insurance Co., Ltd.	86.5
	Morningstar Japan K.K.	49.2
	SBI Mortgage Co., Ltd.	66.5 (15.2)
	SBI Card Co., Ltd.	100.0
	SBI Lease Co., Ltd.	100.0 (100.0)
	CEM Corporation	79.7 (57.1)
	SBI Net Systems Co., Ltd.	100.0 (5.0)
Asset Management Business	SBI Capital Management Co., Ltd.	100.0
	SBI Investment Co., Ltd.	100.0 (100.0)
	SBI CAPITAL Co., Ltd.	100.0 (100.0)
	SBI Value Up Fund No.1 Limited Partnership	49.8 (6.5)
	SBI VEN HOLDINGS PTE. LTD.	100.0

Business Segment	Name	Ownership Ratio of Voting Rights or Investment Ratio (%) (Note 1)
Asset Management Business	SBI KOREA HOLDINGS CO., LTD.	100.0 (100.0)
	SBI Savings Bank (Note 3)	96.9 (96.9)
	SBI Asset Management Co., Ltd.	100.0 (100.0)
Biotechnology-related Business	SBI Pharmaceuticals Co., Ltd.	73.2 (73.2)
	SBI ALApromo Co., Ltd.	100.0 (100.0)
	SBI Biotech Co., Ltd.	77.2 (70.8)
Others	SBI Life Living Co., Ltd.	73.3

(Note)

1. In the “Ownership Ratio of Voting Rights or Investment Ratio” column, the investment ratio is presented for investment partnerships, etc. and the ownership ratio of voting rights for other subsidiaries. The numbers in brackets represent the indirect ownership ratio included.
2. SBI FXTRADE Co., Ltd. has been added to important subsidiaries from the consolidated fiscal year ended March 31, 2014.
3. HYUNDAI SWISS SAVINGS BANK changed its trade name to SBI Savings Bank as of September 1, 2013.
4. SBI BB Mobile Investment LPS is excluded from important subsidiaries as it is in the process of being liquidated.

4. MANAGEMENT ISSUES

The Group has completed the creation of a business structure in Japan as a comprehensive financial conglomerate centered on Internet-based financial services. The Group has also completed to a large extent the establishment of an investment framework for its investment business in Asian countries with remarkable growth. Going forward, we will aggressively promote further expansion of our overseas investment business and provide local foreign financial institutions we invest in with innovative know-how about Internet financial services fostered through our businesses in Japan. By doing so, we expect to become a comprehensive financial group that can make contributions globally with a focus in Asia.

In Japan, we will accelerate growth as a provider of diverse low-cost, high-quality financial products and services by effectively taking into account the growing sentiment among consumers to cut back on their spending and the increased use of the Internet for executing various financial transactions, and we will also further encourage synergistic effects among businesses we have developed in the Group.

In the Financial Services Business, we will aim to achieve greater growth even under unstable conditions in the Japanese stock markets. SBI SECURITIES Co., Ltd. will continue to expand its overseas product lineups and strengthen FX transactions in order to achieve diversification of revenue sources and further enhance its call center operations that receive high recognition from evaluating agencies in heightening its service level even more. SBI Liquidity Market Co., Ltd., which began its operation in November 2008, provides not only liquidity but convenient and competitive market infrastructure for FX transactions to SBI SECURITIES Co., Ltd., SBI Sumishin Net Bank, Ltd., and SBI FXTRADE Co., Ltd. which started its operation in May 2012. SBI Liquidity Market Co., Ltd. will make improvements to the transaction environment, enhance liquidity, and focus on building further cost-effective, secure and safe FX transaction environment with a view to providing its services to overseas private investors. We also established SBI Sumishin Net Bank, Ltd. and SBI Insurance Co., Ltd. during 2007 to 2008 for undertaking new businesses in our aim to build an earning structure that does not depend solely on stock markets. It is our key objective to further developing these businesses by provoking stronger synergistic effects among Group companies.

For certain financial products for individual customers, online sales alone are not sufficient, and there is a need for face-to-face consultations to explain the products to the customer directly. Therefore, SBI MONEY PLAZA Co., Ltd., which operates a face-to-face selling business that provides a one-stop response to all customers needs for asset management, insurance and housing loans, will take the lead in developing the operation of the SBI Group's face-to-face channels.

In the Asset Management Business, we recognize as a high priority the expansion of our investments in emerging countries, primarily in Asia, and the establishment of an effective investment system. The Company will pursue setting up funds jointly with our leading local partners while monitoring the economic conditions of such countries as we continue to push establishment and penetration of our global network. We pursue private equity investment by identifying target and concentrating our investments in growth areas with the aim of contributing to developing industries while benefiting from high investment performance. In the future, the Group will continue to invest in four key areas of IT, biotechnology, environment and energy, and finance. In the financial sectors, we will transfer the know-how

of the Group and pursue direct investment in overseas financial institutions by which we can expect to enhance the value of corporations we invest in. The Group will also invest in promising domestic medium-sized companies and small and medium-sized companies through operating buy-out funds. In undertaking these business activities, the Group will strive for further growth by continuing to aggressively utilize the resources both inside and outside of the Group and heightening the performance of the funds we operate as we swiftly improve the corporate value of companies we invest in.

In the Biotechnology-related Business which is expected to be the largest growth area of the Group and was determined as a new reportable segment from the beginning of the consolidated fiscal year ended March 31 2013, the Group conducts sales of health foods and cosmetics that contain 5-aminolevulinic acid (ALA), and SBI Pharmaceuticals Co., Ltd. carries out research and development of pharmaceutical products using ALA. The Group has been strengthening promotional activities to expand sales of ALA-containing health foods in and outside Japan, in addition to commencing the domestic sale of an intraoperative diagnostic drug for malignant glioma in September 2013. Research activities continue to be extended in domestic and foreign universities and research institutes to discover new applications of ALA, and we strive to develop the products that serve customer's healthy and enjoyable life focusing on ALA with possible applications in a wider range of fields. SBI Biotech Co., Ltd. dedicates efforts to developing new pharmaceutical products using the most advanced biotechnology in collaboration with leading research institutes around the world.

In addition, in April 2012, the Group adopted a new organizational structure in which the Financial Services Business, Asset Management Business, and Biotechnology-related Business are the Group's three major businesses and has been accelerating this reorganization by proceeding with sales, public stock offerings, and mergers within the group of the other business segments in principle, regardless of whether each group segment in question is enjoying a surplus or sustaining a deficit. In the Financial Services Business in particular, the securities, banking and insurance businesses were determined to be the three core businesses, and we will further advance with selection and concentration of businesses by giving due consideration to the existence and effectiveness of synergies with such core businesses.

The Group recognizes that continuous enhancement of human resources is an essential Group-wide initiative. It has become increasingly important to secure highly competent individuals that support our rapidly-expanded businesses and to continue developing the skills of our employees. For this purpose, we have been exerting greater efforts in hiring excellent individuals who are willing to share the management philosophy of the Group as well as recruiting university graduates to secure human capital for passing on the Group's unique corporate culture from one generation of employees to the next. The initiative of recruiting university graduates that began in April 2006 has resulted in individuals with the potential to advance to senior executive positions already contributing strongly in key positions of the organization. We will continue to secure highly competent and global-oriented human resources and promote career development of our staff in pursuing perpetual growth and development of the Group.

5. PRINCIPAL BUSINESS DESCRIPTION OF THE GROUP
(as of March 31, 2014)

The Group, as a comprehensive financial conglomerate, engages in a wide range of business activities, primarily online financial service businesses and investments activities in Japan and overseas, and these businesses, together with Biotechnology-related Business, are the three businesses that constitute the Group's principal business description.

6. PRINCIPAL PLACE OF BUSINESS OF THE GROUP
(as of March 31, 2014)

Tokyo: The Company and headquarters of the important subsidiaries in Japan

Hong Kong: SBI Hong Kong Holdings Co., Limited

Singapore: SBI VEN CAPITAL PTE. LTD.

China: SBI (China) Co., Ltd.

7. EMPLOYEES OF THE GROUP (as of March 31, 2014)

Business Segment	Number of Employees
Financial Services Business	2,972
Asset Management Business	1,987
Biotechnology-related Business	162
Others	119
Company-wide (Common)	112
Total	5,352

(Note)

1. The number of employees represents the number of employed workers and is stated in relation to business segment.
2. The company-wide (common) employees belong to the administrative or other divisions of the Company.

8. PRINCIPAL LENDER (as of March 31, 2014)

(millions of yen)

Lender	Loan Balance
Mizuho Bank, Ltd.	57,950
Syndicate loans arranged by Mizuho Bank, Ltd.	28,890

9. POLICY ON DETERMINATION OF DIVIDENDS FROM SURPLUS

The Company will make decisions regarding distributions to the shareholders based on a comprehensive view of consolidated business performance and other factors including the Group companies.

With respect to dividends from surplus, the basic profit distribution policy of the Company is to target a payout a minimum of ¥10 per share on a once annual year-end dividend payment. Depending on the adequacy of retained earnings for sustainable growth and business forecasts, the Company will aim to increase the payout amount in the future. In common with the past periods, the Company will only pay a year-end dividend and will not pay an interim dividend.

Based on the aforementioned basic policy and the consolidated business performance for the consolidated fiscal year ended March 31, 2014, the Company determined to pay an ordinary dividend of ¥20 per share as a year-end dividend for the consolidated fiscal year ended March 31, 2014.

II. COMPANY

1. SHARES (as of March 31, 2014)

- (1) Total Number of Shares Authorized for Issue 341,690,000 shares
- (2) Total Number of Outstanding Shares 224,561,761 shares
(including 7,566,803 shares of treasury stock)
- (3) Number of Shareholders 176,552 shareholders
- (4) Share Unit Number 100 shares
- (5) Major Shareholders

Major Shareholder	Number of Shares Held shares	Percentage of Shares Held %
Japan Trustee Services Bank, Ltd. (Trust account)	9,008,530	4.1
NORTHERN TRUST CO. (AVFC) RE 15PCT TREATY ACCOUNT	7,868,920	3.6
The Master Trust Bank of Japan, Ltd. (Trust account)	7,343,500	3.3
STATE STREET BANK CLIENT OMNIBUS OM04	7,318,827	3.3
SAJAP	5,476,640	2.5
NORTHERN TRUST GLOBAL SERVICES LIMITED RE 15PCT TREATY ACCOUNT (NON LENDING)	5,024,140	2.3
JAPAN SECURITIES FINANCE CO., LTD.	5,005,600	2.3
Yoshitaka Kitao	3,807,960	1.7
STATE STREET BANK WEST CLIENT - TREATY	2,594,212	1.1
Japan Trustee Services Bank, Ltd. (Trust Account 6)	2,471,300	1.1

(Note)

- The percentage of shares held is calculated upon deducting the treasury stock.
- Apart from the holdings of the major shareholders above, the Company holds 7,566,803 shares as treasury stock. The number of treasury stock does not include 511,940 shares of the Company's stock owned by Trust & Custody Services Bank, Ltd. (Trust E Account) as trust assets of the "Stock Benefit Trust (employee stock ownership plan disposal type)."

(6) Other Important Matters Concerning Shares

The Board of Directors resolved at the meeting on March 4, 2014, to delist the Hong Kong depositary receipts of the Company listed on the main board of the Hong Kong Stock Exchange. The Hong Kong depositary receipts will be delisted on June 25, 2014 after taking the prescribed procedures.

2. SHARE OPTIONS

(1) Delivery of share options as consideration for the execution of duties and held by the Company officers (as of March 31, 2014)

Not Applicable

(2) Delivery of share options to employees as consideration for the execution of duties during the fiscal year ended March 31, 2014

Not Applicable

(3) Other status details for share options

Outline of share options attached to the Euro-Yen convertible bonds with share options due 2017 issued pursuant to a resolution of the meeting of the Board of Directors held on October 17, 2013

Date of Issue	November 5, 2013
Number of share options	3,000 share options
Type of shares subject to share options	Common shares of the Company
Number of shares subject to share options	The total amount of the face value of the bonds for the share options exercised, divided by the conversion price; any fraction of a share is rounded down and no adjustment by cash is made
Amount payable for share options	No payment of money is required in exchange for the share options
Conversion price	¥1,534 per share, initially; however, the amount is adjusted under certain conditions. (Note)
Exercise period	From November 19, 2013 to the close of banking business on October 19, 2017 (time at the place where the exercise request was accepted)
Balance of Euro-Yen convertible bonds with share options due 2017 (As of March 31, 2014)	¥30,000 million

(Note) The Company has adjusted the conversion price to ¥1,523.4 pursuant to the terms and conditions for adjustment of conversion price of the Euro-Yen convertible bonds with share options due 2017 after the Board of Directors resolved at the meeting on May 8, 2014 that the amount of a year-end dividend per share for the consolidated fiscal year ended March 31, 2014 is ¥20.

3. COMPANY OFFICERS

(1) Directors and Statutory Auditors (as of March 31, 2014)

Position	Name	Responsibilities and Other Significant Concurrent Offices Held
Representative Director, President & CEO	Yoshitaka Kitao	Representative Director and Chairman of SBI Investment Co., Ltd. Representative Director and Chairman of SBI SECURITIES Co., Ltd. Representative Director, Chairman and CEO of SBI Mortgage Co., Ltd. Director of Morningstar Japan K.K. Director of SBI Japannext Co., Ltd. Director of SBI FINANCIAL SERVICES Co., Ltd. Director of SBI Capital Management Co., Ltd. Representative Director of SBI Hong Kong Holdings Co., Limited Director of SBI VEN HOLDINGS PTE. LTD. Director and Chairman of KAWADEN CORPORATION
Director, Senior Executive Vice President & COO	Taro Izuchi	Director of SBI SECURITIES Co., Ltd. Representative Director and President of SBI MONEY PLAZA Co., Ltd. Representative Director and President of SBI FINANCIAL SERVICES Co., Ltd.
Director & Senior Managing Executive Officer	Takashi Nakagawa	Representative Director and President of SBI Investment Co., Ltd. Representative Director and President of SBI Capital Management Co., Ltd. Director of SBI AXES Co., Ltd.
Director & Senior Managing Executive Officer	Tomoya Asakura	Representative Director & President of Morningstar Japan K.K. Director of SBI Insurance Co., Ltd. Director of SBI FINANCIAL SERVICES Co., Ltd.
Director, Managing Executive Officer & CFO	Shumpei Morita	Representative Director and President of SBI Business Solutions Co., Ltd. Director of SBI FINANCIAL SERVICES Co., Ltd. Director of SBI Capital Management Co., Ltd.
Director and Executive Officer	Peilung Li	The Chief Representative of the Company's Representative Office in Shanghai of the Company Representative Director of SBI (China) Co., Ltd. Representative Director of Shanghai SBI-INESA Equity Investment Management Co., Ltd. Director and CEO of CSJ-SBI Financial Media Co., Ltd. Director of Tianan Property Insurance Company Limited
Director	Masato Takamura	Representative Director and President of SBI SECURITIES Co., Ltd.

Director	Hiroshi Tasaka	Representative Director of SophiaBank, Limited Professor of Tama University Graduate School
Director	Masaki Yoshida	Representative Director of YOSHIDAMASAKI INC. Representative Director and Chairman of Watanabe Entertainment Co., Ltd. Outside Director of KLab Inc.
Director	Kiyoshi Nagano	Outside Audit & Supervisory Board Member of Shin-Etsu Chemical Co., Ltd. Outside Auditor of LEC, INC.
Director	Keiji Watanabe	Independent Outside Director of ASAHI KOGYOSHA CO., LTD. Outside Director of Aoyama Zaisan Networks Company, Limited
Director	Akihiro Tamaki	Representative Director of SiFA Co., Ltd. External Corporate Auditor of Avex Group Holdings Inc. External Corporate Auditor of DWANGO Co., Ltd.
Director	Masanao Marumono	Outside Statutory Auditor of GINSEN CO., LTD. Vice-President of Japan Association of Employers of Persons with Severe Disabilities Counsel for SMBC Green Service Co., Ltd.
Director	Teruhide Sato	President and Group CEO of netprice.com, Ltd. CEO and Managing Director of BEENOS Partners, Inc. President of BEENOS Asia Pte. Ltd.

Position	Name	Responsibilities and Other Significant Concurrent Offices Held
Standing Statutory Auditor	Atsushi Fujii	Statutory Auditor of SBI Investment Co., Ltd. Outside Statutory Auditor of SBI SECURITIES Co., Ltd. Statutory Auditor of SBI FINANCIAL SERVICES Co., Ltd. Statutory Auditor of SBI Capital Management Co., Ltd.
Statutory Auditor	Ryujiro Shimamoto	Statutory Auditor of SBI Lease Co., Ltd. Statutory Auditor of SBI MONEY PLAZA Co., Ltd.
Statutory Auditor	Minoru Tada	Outside Standing Statutory Auditor of SBI SECURITIES Co., Ltd. Statutory Auditor of SBI FINANCIAL SERVICES Co., Ltd.
Statutory Auditor	Hisashi Hayakawa	Outside Standing Statutory Auditor of SBI Insurance Co., Ltd. Statutory Auditor of SBI Capital Management Co., Ltd.

(Note)

1. Directors Kiyoshi Nagano, Keiji Watanabe, Akihiro Tamaki, Masanao Marumono, and Teruhide Sato are Outside Directors.
2. Statutory Auditors Ryujiro Shimamoto and Hisashi Hayakawa are Outside Statutory Auditors.
3. Standing Statutory Auditor Atsushi Fujii is qualified as a Certified Public Accountant, and Statutory Auditors Ryujiro Shimamoto, Minoru Tada, and Hisashi Hayakawa have many years of experience in financial institutions. All of these Statutory Auditors have a considerable degree of knowledge regarding finance and accounting.
4. The position of the following directors has changed as follows as of June 27, 2013.

Name	New position	Former position
Tomoya Asakura	Director & Senior Managing Executive Officer	Director & Managing Executive Officer
Noriaki Maruyama	Director & Managing Executive Officer	Director and Executive Officer

5. Directors who retired from their office upon expiry of their terms of office at the 15th Ordinary General Meeting of Shareholders held on June 27, 2013 are Hiroyoshi Kido, Noriyoshi Kimura, and Takashi Okita. Directors who are newly elected and assumed office are Masato Takamura and Teruhide Sato.
6. The Company designated Directors Kiyoshi Nagano and Masanao Marumono as independent directors under the provisions of the Tokyo Stock Exchange and has notified the exchange.

(2) Directors who Retired from Their Office on or After the Day Following the Day on Which the 15th Ordinary General Meeting of Shareholders Held on June 27, 2013 Ended

Name	Position at Time of Retirement, Responsibilities and Other Significant Concurrent Offices Held	Retirement Date	Reason for Retirement
Noriaki Maruyama	Director & Managing Executive Officer of the Company Representative Director, Chairman and CEO of SBI Mortgage Co., Ltd. Representative Director, Chairman and CEO of SBI Lease Co., Ltd.	March 31, 2014	Resignation
Taro Izuchi	Director, Senior Executive Vice President & COO of the Company Director of SBI SECURITIES Co., Ltd. Representative Director and President of SBI MONEY PLAZA Co., Ltd. Representative Director and President of SBI FINANCIAL SERVICES Co., Ltd.	April 16, 2014	Death

(3) Remuneration of Directors and Statutory Auditors

(i) Total Amount of Remuneration for the Fiscal Year ended March 31, 2014

Classification	Number of Officers	Amount of Paid Remuneration
Directors (Outside Directors included)	17 officers (5 officers)	¥245 million (¥65 million)
Statutory Auditors (Outside Statutory Auditors included)	1 officer (0 officer)	¥12 million (¥0 million)
Total (Outside Directors and Outside Statutory Auditors included)	18 officers (5 officers)	¥257 million (¥65 million)

(Note)

1. The amount of remuneration of Directors does not include employee remuneration for any director who concurrently serves as an employee.
2. 1 Director and 3 Statutory Auditors (2 outside Statutory Auditors included) do not receive remuneration.
3. Remuneration of officers who retired from their office during the fiscal year ended March 31,

2014 is included in the amount provided in the list above.

(ii) Total Amount of Executive Remuneration Received by Outside Directors and Outside Statutory Auditors from Subsidiaries

The total amount of remuneration received as an officer by the Outside Statutory Auditors from subsidiaries for which they concurrently serve as an officer in the fiscal year ended March 31, 2014 amounts to ¥19 million.

(4) Matters Regarding Outside Officers

(i) Relationship between the companies for which the Outside Officers hold significant concurrent offices and the Company

Position	Name	Significant Concurrent Office
Director	Kiyoshi Nagano	Outside Audit & Supervisory Board Member of Shin-Etsu Chemical Co., Ltd. Outside Auditor of LEC, INC.
Director	Keiji Watanabe	Independent Outside Director of ASAHI KOGYOSHA CO., LTD. Outside Director of Aoyama Zaisan Networks Company, Limited
Director	Akihiro Tamaki	Representative Director of SiFA Co., Ltd. External Corporate Auditor of Avex Group Holdings Inc. External Corporate Auditor of DWANGO Co., Ltd.
Director	Masanao Marumono	Outside Statutory Auditor of GINSEN CO., LTD. Vice-President of Japan Association of Employers of Persons with Severe Disabilities Counsel for SMBC Green Service Co., Ltd.
Director	Teruhide Sato	President and Group CEO of netprice.com, Ltd. CEO and Managing Director of BEENOS Partners, Inc. President of BEENOS Asia Pte. Ltd.
Statutory Auditor	Ryujiro Shimamoto	Statutory Auditor of SBI Lease Co., Ltd. Statutory Auditor of SBI MONEY PLAZA Co., Ltd.
Statutory Auditor	Hisashi Hayakawa	Outside Standing Statutory Auditor of SBI Insurance Co., Ltd. Statutory Auditor of SBI Capital Management Co., Ltd.

(Note)

1. SBI Lease Co., Ltd., SBI MONEY PLAZA Co., Ltd., SBI Insurance Co., Ltd. and SBI Capital Management Co., Ltd. are subsidiaries of the Company.
2. There is no transaction or other relationship to be noted between other companies in which concurrent offices are held and the Company.

(ii) Principal Activities in the Fiscal Year Ended March 31, 2014

- Attendance at the meetings of the Board of Directors and the Board of Statutory Auditors

		Meeting of Board of Directors (held 16 times)		Meeting of Board of Statutory Auditors (held 16 times)	
		Number of Times Attended	Attendance Rate	Number of Times Attended	Attendance Rate
Director	Kiyoshi Nagano	14 times	87%	—	—
Director	Keiji Watanabe	14 times	87%	—	—
Director	Akihiro Tamaki	14 times	87%	—	—
Director	Masanao Marumono	15 times	93%	—	—
Director	Teruhide Sato	13 times	100%	—	—
Statutory Auditor	Ryujiro Shimamoto	16 times	100%	16 times	100%
Statutory Auditor	Hisashi Hayakawa	16 times	100%	16 times	100%

(Note) Director Teruhide Sato was appointed as a Director on June 27, 2013. Meetings of the Board of Directors were held 13 times on and after June 27, 2013 and the attendance ratio for the above director represents the percentage against the number of times the meetings were held on and after that date.

- Statements at meetings of the Board of Directors and the Board of Statutory Auditors

Directors Kiyoshi Nagano, Keiji Watanabe, Akihiro Tamaki, Masanao Marumono, and Teruhide Sato have, as Outside Directors, asked questions from time to time regarding matters to be reported or resolved and offered opinions as necessary from an external point of view at the meetings of the Board of Directors they attended.

Statutory Auditors Ryujiro Shimamoto and Hisashi Hayakawa have sufficiently fulfilled their auditing function by expressing their opinions from the perspective of whether the Directors' performance of their duties and the decision-making process for resolutions of the Board of Directors are appropriate and based on reasonable and accurate understanding of facts during proceedings at the meetings of the Board of Directors. Also, they have made reports and actively offered opinions for every proceeding at the meetings of the Board of Statutory Auditors.

(iii) Outline of Contracts for Limitation of Liability

The Company has executed contracts for limitation of liability with Outside Directors

Kiyoshi Nagano, Keiji Watanabe, Akihiro Tamaki, Masanao Marumono, and Teruhide Sato to limit liability under Article 423, Paragraph 1 of the Companies Act to the extent of the higher amount of either ¥1,000,000 or the minimum liability amount stipulated by laws and regulations under Article 427, Paragraph 1 of the Companies Act and Article 25, Paragraph 2 of the Company's Articles of Incorporation.

4. ACCOUNTING AUDITOR

(1) Name Deloitte Touche Tohmatsu LLC

(2) Amount of remuneration of Accounting Auditor for the Company's fiscal year ended March 31, 2014

¥260 million

(3) Total amount of money and other property benefits to be paid by the Company and subsidiaries to Accounting Auditor

¥523 million

(Note)

1. Since the audit agreement between the Company and the Accounting Auditor does not clearly distinguish between the amount of remuneration for auditing under the Companies Act and the amount of remuneration for auditing under the Financial Instruments and Exchange Act and it is also not possible to substantially distinguish between them, the amount in (2) above represents the total amount.
2. The Company has paid the Accounting Auditor consideration for the preparation of a comfort letter and other services other than those set out in Article 2, Paragraph 1 of the Certified Public Accountant Act.
3. Five important subsidiaries of the Company are audited by auditors other than the Accounting Auditor of the Company.

(4) Policy on Determination of Removal or Disapproval of Reappointment

Upon obtaining the consent of, or based on a request from, the Board of Statutory Auditors, the Board of Directors shall make the removal or disapproval of reappointment of the Accounting Auditor a purpose of the general meeting of shareholders if the execution of duties of the Accounting Auditor is interfered with or in any other case where it is deemed necessary.

If the Accounting Auditor is deemed to fall under any item of Article 340, Paragraph 1 of the Companies Act, the Board of Statutory Auditors will remove the Accounting Auditor by consent of all Statutory Auditors. In that case, the Statutory Auditors elected by the Board of Statutory Auditors shall report the removal of the Accounting Auditor and the reason therefore at the first general meeting of shareholders convened after the removal.

5. “FRAMEWORKS FOR ENSURING PROPER EXECUTION OF BUSINESS OPERATIONS” IN BUSINESS REPORT

Details of resolutions by the Board of Directors concerning frameworks in place at the end of the business year ended March 31, 2014 for ensuring that the Directors execute their duties in compliance with laws, regulations, and the Articles of Incorporation and for ensuring that other business operations of the Company are properly executed are set out below.

- (1) Framework for Ensuring Execution of Duties by Directors and Employees are in Compliance with Laws and Regulations and Articles of Incorporation
 - (i) The Representative Director of the Company is responsible for making all managers and employees aware of the importance of compliance with laws and regulations, as well as ethical standards. Compliance and ethics are both vital aspects of operating within the Company’s Management Philosophy and Corporate Vision.
 - (ii) The Company facilitates close communication among the Directors, supervises the performance of the Representative Director, and prevents violations of laws, regulations, and the Articles of Incorporation by holding regular monthly meetings of the Board of Directors in accordance with the Board of Directors Regulations and by holding other extraordinary meetings of the Board of Directors as necessary.
 - (iii) Following a resolution by the Board of Directors, the Company appoints a Director to be responsible for compliance matters, establishes a Compliance Department that is directly managed by that Director, and causes that Director and department to identify compliance-related issues and problems relating to the Company. In addition, following a resolution by the Board of Directors the Company establishes an Internal Audit Department. The Internal Audit Department is an organizational unit independent from all business administration divisions and administrative divisions that comprehensively and objectively evaluates the appropriateness of the Company’s internal management structure, which involves compliance with laws and regulations, the appropriateness of operations and the proper management of internal controls, among other responsibilities. Also, recommendations are provided and follow-up measures are taken for the purpose of seeking improvement with respect to issues uncovered as a result of internal audits. Audits are conducted with the help of employees and, if necessary, external specialists.

The results of individual internal audits are reported promptly after completion of audits, and reports are provided to the Board of Directors through the Representative Director more than once every six months, in addition to regular reports to Statutory Auditors.
 - (iv) The Company has established a Whistleblower System for submitting reports directly to the Internal Audit Department and the Statutory Auditors, allowing Directors and employees to provide information concerning violations at the Company of laws, regulations, and the Articles of Incorporation as well as important facts discovered involving compliance.
- (2) Framework for Data Storage and Management Relating to Execution of Duties by Directors

- (i) The Company has, following a resolution by the Board of Directors, established document management regulations and stores and manages data relating to the execution of duties by the Directors by entering or recording that data on written documents or electromagnetic recordings (“Documents”).
 - (ii) Directors and Statutory Auditors may access Documents at any time.
- (3) Regulations for Managing Risk of Loss and Other Similar Frameworks
- (i) The Company appoints a Director to be in charge of risk management in accordance with risk management and other regulations established by the Board of Directors and has established the Risk Management Department to identify and properly evaluate and manage risks that may impede the execution of business operations or the attainment of our Management Philosophy and Corporate Vision.
 - (ii) If any management crisis comes to light, then the Company deals with that crisis in accordance with the Company’s crisis management regulations by (a) establishing a task force led by the Director responsible for risk management and (b) facilitating a structure that enables timely and appropriate sharing of information relating to the management crisis among the Director responsible for risk management, the managers in charge of the Risk Management Department, the General Affairs and Human Resources Departments, the Corporate Communications Departments, and the Legal and Compliance Departments, and other Directors and employees who require that information.
- (4) Framework for Ensuring the Efficient Execution of Duties by Director
- (i) The Company determines allocation of duties following a resolution by the Board of Directors and clarifies the division of roles among the Directors.
 - (ii) The Company facilitates a data system that enables appropriate and prompt decision-making.
 - (iii) In principle, the Company holds regular monthly meetings of the Board of Directors and other extraordinary meetings of the Board of Directors as necessary, and in addition to solving problems that arise in each division in a timely and appropriate manner, makes the Directors aware of know-how gained from the problems solved. By doing so, the Company seeks to streamline execution of duties that Directors are responsible for while also streamlining operations throughout the Company as a whole.
- (5) Framework for Ensuring Proper Execution of Business Operations in Corporate Group Consisting of the Company and Subsidiaries
- (i) Compliance conferences are held to provide an opportunity to exchange information about compliance for the entire corporate group. These gatherings identify compliance issues and problems, and confirm that business operations are conducted properly. The Director in charge of compliance and the Compliance Department hold these conferences along with compliance officers from companies belonging to the corporate group. These compliance conferences are promptly convened when a request for

convocation is made from a company belonging to the corporate group.

- (ii) If the Directors discover any material violation of laws, regulations, or the Articles of Incorporation or any other important facts relating to compliance with regard to a company belonging to the corporate group, they report this information to the Company's Statutory Auditors, and the Statutory Auditor who takes receipt of that report notifies the statutory auditor of the company in relation to which those important facts were discovered.
- (6) Framework Relating to Employees Assisting Duties of Statutory Auditors When Appointment of Those Employees is Requested by Statutory Auditors, and Matters Relating to Independence from Directors of Those Employees

When requested by a Statutory Auditor, the Company appoints, for a period determined in consultation with that Statutory Auditor, an employee who is nominated by the Internal Auditing Department as having knowledge that enables that employee to assist with the Statutory Auditor's duties independent of the Directors' chain of command. In this case, the opinions of the Statutory Auditor are respected with regard to personnel changes and evaluation in relation to that employee.

- (7) Framework for Reporting by Directors and Employees to Statutory Auditors and Framework for Other Types of Reporting to Statutory Auditors

- (i) The Directors report to the Statutory Auditors in a timely and accurate manner when the Directors come to know of any of the following:
 - (a) any matter likely to cause significant damage to the Company;
 - (b) any important matter relating to management;
 - (c) any important matter relating to internal auditing;
 - (d) any material violation of laws, regulations, or the Articles of Incorporation; or
 - (e) any other matter judged an important matter by the Directors.
 - (ii) The Directors will provide the Statutory Auditors with prompt and detailed explanations of the matters (a) through (d) above when requested by the Statutory Auditors and must not refuse such a request unless the Directors have reasonable grounds for doing so.
 - (iii) The Company has established a Whistleblower System for submitting reports directly to the Statutory Auditors, enabling Directors and employees to provide information concerning violations of laws, regulations, and the Articles of Incorporation as well as important facts discovered involving compliance.
- (8) Other Frameworks for Ensuring that Statutory Auditors Effectively Execute Audits
- (i) The Company will cause the Company's Representative Director to hold regular meetings with the Statutory Auditors for the purpose of sharing information regarding management-based issues and problems and, as necessary, facilitates sharing of information between Statutory Auditors and the Internal Auditing Department with the Accounting Auditor.

- (ii) The meetings described in (8)(i) above are promptly convened by the Company when a request for convocation is made by a Statutory Auditor.

(9) Framework for Ensuring Reliability of Financial Reports

The Company maintains an effective and proper management framework for its internal control reporting system with respect to financial reports pursuant to the applicable relevant laws and ordinances in order to ensure the reliability of financial reports and carries out continuous facilitation, management and evaluation of that framework and promptly takes measures if any improvement is required.

(10) Framework for Exclusion of Anti-social Organizations

The corporate group to which the Company belongs declares in its code of conduct its intent to resolutely defy anti-social organizations and facilitates an internal framework for strengthening collaborative efforts by establishing a department for carrying out anti-social organization exclusion initiatives in the Company and by sharing knowledge with the police, centers for eliminating anti-social organizations, lawyers, and other external professional institutions. Efforts are also made to increase awareness of the requirement to cut off relationships with anti-social organizations, by carrying out training for managers and employees in the corporate group to which the Company belongs. In addition, the Company promotes awareness of this initiative by distributing to our corporate group, and by posting on the group's intranet, manuals for dealing with anti-social organizations in accordance with the "Guidelines for Enterprises to Prevent Damage Caused by Antisocial Forces."

CONSOLIDATED FINANCIAL STATEMENTS
(1) Consolidated Statement of Financial Position

	As at 31 March 2014
	Millions of Yen
Assets	
Cash and cash equivalents	276,221
Trade and other accounts receivable	336,206
Assets related to securities business	
Cash segregated as deposits	935,497
Margin transaction assets	352,675
Other assets related to securities business	451,321
Total assets related to securities business	1,739,493
Other financial assets	30,593
Operational investment securities	127,365
Other investment securities	49,234
Investments accounted for using the equity method	39,820
Investment properties	33,195
Property and equipment	11,826
Intangible assets	196,438
Other assets	26,513
Deferred tax assets	8,400
Total assets	<u>2,875,304</u>
Liabilities	
Bonds and loans payable	440,112
Trade and other accounts payable	53,503
Liabilities related to securities business	
Margin transaction liabilities	186,806
Loans payable secured by securities	211,671
Deposits from customers	492,159
Guarantee deposits received	439,927
Other liabilities related to securities business	287,350
Total liabilities related to securities business	1,617,913
Customer deposits for banking business	302,314
Income tax payable	10,362
Other financial liabilities	38,015
Other liabilities	15,767
Deferred tax liabilities	8,855
Total liabilities	<u>2,486,841</u>
Equity	
Capital stock	81,681
Capital surplus	152,725
Treasury stock	(5,140)
Other component of equity	16,225
Retained earnings	80,140
Equity attributable to owners of the Company	325,631
Non-controlling interests	62,832
Total equity	<u>388,463</u>
Total liabilities and equity	<u>2,875,304</u>

(2) Consolidated Statement of Income

	Fiscal Year ended 31 March 2014
	Millions of Yen
Operating revenue	232,822
Operating expense	
Operating cost	(68,472)
Financial cost	(18,526)
Selling, general and administrative expenses	(95,997)
Other expenses	(8,934)
Total operating expense	(191,929)
Share of the profit or loss of associates and joint ventures accounted for using the equity method	1,331
Operating income	42,224
Other financial income and cost	
Other financial income	514
Other financial cost	(3,839)
Total other financial income and cost - net	(3,325)
Profit before income tax expense	38,899
Income tax expense	(19,100)
Profit for the year	19,799
Profit for the year attributable to	
Owners of the Company	21,439
Non-controlling interests	(1,640)

(3) Consolidated Statement of Changes in Equity

	Attributable to owners of the Company							Total equity Millions of Yen
	Capital stock	Capital surplus	Treasury stock	Other Component of equity	Retained earnings	Total	Non-controlling interests	
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	
As at 1 April 2013	81,668	160,550	(5,117)	6,196	60,002	303,299	57,236	360,535
Profit for the year	—	—	—	—	21,439	21,439	(1,640)	19,799
Other comprehensive income/(loss)	—	—	—	10,898	—	10,898	(319)	10,579
Total comprehensive income	—	—	—	10,898	21,439	32,337	(1,959)	30,378
Issuance of new stock	13	13	—	—	—	26	—	26
Issuance of convertible bonds	—	1,632	—	—	—	1,632	—	1,632
Change in scope of consolidation	—	(211)	—	—	—	(211)	747	536
Dividends paid	—	—	—	—	(2,170)	(2,170)	(2,103)	(4,273)
Treasury shares purchased	—	—	(64)	—	—	(64)	—	(64)
Treasury shares sold	—	3	41	—	—	44	—	44
Changes of interests in subsidiaries without losing control	—	(9,262)	—	—	—	(9,262)	8,911	(351)
Transfer	—	—	—	(869)	869	—	—	—
As at 31 March 2014	81,681	152,725	(5,140)	16,225	80,140	325,631	62,832	388,463

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation

The consolidated financial statements of SBI Holdings, Inc. (the "Company") and consolidated subsidiaries (collectively the "Group") were prepared in accordance with International Financial Reporting Standards ("IFRSs") pursuant to the first paragraph of Article 120 of the Ordinance on Company Accounting. Some disclosure items required under IFRSs were omitted pursuant to the latter part of the same paragraph.

2. Scope of consolidation

Number of consolidated subsidiaries: 175

Major consolidated subsidiaries are listed in "3. IMPORTANT PARENT COMPANY AND SUBSIDIARIES" in section "I. GROUP" of "Business Report"

3. Application of equity method

Number of investments in associates and joint ventures accounted for using the equity method: 38

Major investment accounted for using equity method: SBI Sumishin Net Bank., Ltd.

4. Summary of accounting policies

(1) Valuation of significant assets

① Valuation of financial assets

The Group applies IFRS 9 "Financial instruments". IFRS 9 "Financial instruments" ("IFRS 9") requires all financial assets which are within the scope of IAS 39 "Financial instruments: Recognition and Measurement" to be subsequently measured either at amortized cost or at fair value.

• Non-derivative financial assets

Non-derivative financial assets are initially designated as "Financial assets measured at amortized cost", "Financial assets at FVTPL" or "Financial assets at FVTOCI" on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

At initial recognition, the Group measures a financial asset at its fair value. In the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset are appropriately added to the fair value of the financial asset. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in profit or loss.

(Financial assets measured at amortized cost)

Financial assets are subsequently measured using the effective interest method at amortized cost less accumulated impairment loss if both of the following conditions are met: (i) the debt instruments are held in order to collect contractual cash flows according to the Group's business model for managing the financial assets and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(Financial assets at FVTPL)

Financial assets, other than those subsequently measured at amortized cost, are subsequently measured at fair value, and all changes in fair value are recognized in profit or loss.

(Financial assets at FVTOCI)

Within financial instruments other than financial instruments held for trading, equity instruments are designated as financial instruments at FVTOCI at initial recognition. This is an irrevocable election and the accumulated changes of fair value recorded in other comprehensive income cannot be reclassified to profit or loss. Dividends from the above-mentioned equity instruments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. At derecognition of equity instruments at FVTOCI or when the decline in fair value is other than temporary when compared to initial cost, the recognized amount of changes in fair value accumulated in other comprehensive income is reclassified directly to retained earnings and cannot be reclassified in profit or loss.

• Derecognition

The Group shall derecognize a financial asset when, and only when, the contractual rights to the cash flow from the financial asset expire or the Group no longer retains the contractual rights to receive the cash flows and transfers substantially all the risks and rewards related to the financial asset.

• Fair value measurement

The Group measures the fair value of a financial asset using the market price from the active market, if available.

The Group uses valuation techniques to determine fair value if the financial assets are not traded in an active market. Valuation techniques include utilization of a recent arm's length transaction between knowledgeable, willing parties, current fair value of an identical or similar financial instrument, discounted cash flow analysis and an option pricing model.

• Impairment of financial assets measured at amortized costs

The Group recognizes impairment losses for financial assets measured at amortized costs after the initial recognition when there is objective evidence that a loss event has occurred and it is reasonably predictable that the negative impact will be exerted on the estimated future cash flows arising from financial assets. The Group assesses whether there is objective evidence indicating that financial assets measured at amortized cost are impaired on a quarterly basis.

The Group assesses financial assets measured at amortized costs for evidence of impairment both individually and collectively. Significant financial assets are assessed for impairment individually. Significant financial assets which are not impaired individually are assessed for impairment collectively. Financial assets which are not significant are assessed as a group based on risk characteristics.

For financial assets measured at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Impairment loss is recognized in profit or loss in the period and the carrying amount of the financial asset is reduced by the impairment loss directly. Interest on the impaired asset is recognized as the adjustments to discounts through the passage of time. When the amount of impairment decreases and the decrease can be related objectively to an event occurring after the impairment, reversal of previously recognized impairment loss is recognized in profit or loss.

- Accounting policies for derivatives including hedge accounting

The Group uses interest rate swap contracts to hedge interest rate risk.

At the inception of the hedge, the Group formally documents the hedging relationship between the hedged item or transaction and the hedge instrument, which is the interest rate swap contract, in compliance with our risk management objective and strategy. In addition, the Group has formal documentation on the effectiveness of the interest rate swap contracts to hedge the risks of changes in fair value and cash flow at the inception and on an ongoing basis.

The changes in fair value of interest rate swap contracts, which are designated as hedging instruments for fair value hedges are recognized in profit or loss. Gain or loss on the hedged item attributable to the risk of changes in interest rates shall adjust the carrying amount of the hedged item and be recognized in profit or loss.

Among the changes in fair value of interest swap contracts, which are designated as hedging instruments for cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge shall be recognized in other comprehensive income, while the ineffective portion shall be recognized in profit or loss.

The amount that has been recognized in accumulated other comprehensive income shall be presented as a deduction of other comprehensive income in the consolidated statement of comprehensive income and reclassified to profit or loss in the same period during which the hedged item of cash flows affects profit or loss.

The Group shall prospectively discontinue hedge accounting when the criteria of hedge accounting are no longer satisfied. In such situation, amounts accumulated in other comprehensive income remain unadjusted until the anticipated transaction finally affects profit or loss, or the anticipated transaction is not expected to occur, when the underlying amount shall be immediately recognized in profit or loss.

② Valuation of non-financial assets

- Inventories

Inventories held by the Group are mainly real estate inventories. Real estate inventories are stated at the lower of cost or net realizable value. Cost is determined by the specific identification method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

- Property and equipment other than lease assets

Property and equipment are measured using the cost method and stated at cost less accumulated depreciation and accumulated impairment loss. Acquisition cost includes the costs incurred directly related to the acquisition of the assets. Any gain or loss arising on the disposal of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

- Investment properties other than lease assets

Investment properties are measured using the cost method and stated at cost less accumulated depreciation and accumulated impairment loss.

- Intangible assets other than goodwill and lease assets
Intangible assets are carried at initial cost less accumulated amortization and accumulated impairment loss.
- Lease assets
(Accounting by lessor as finance lease)
A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Receivables are recognized at an amount equal to the net investment in the lease and presented as operating receivables or other receivables in the consolidated statement of financial position.
(Accounting by lessee as finance lease)
A lease is classified as a finance lease when the Group assumes substantially all the risks and rewards according to the lease contract. Lease assets are initially recognized as the lower of fair value of the leased property and the present value of the minimum lease payments. In subsequent measurement, leased assets are accounted for under the accounting standards applied to the assets.
- Impairment of non-financial assets
Other than inventories and deferred tax assets, the Group's non-financial assets are subject to annual impairment tests. When an indication for impairment exists, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment losses, if any. For a cash-generating unit ("CGU") including allocated goodwill and intangible assets for which the useful life cannot be determined or which is not available for use, the recoverable amount shall be estimated at the same time every year, regardless of the indication for impairment. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows from other assets or group of assets.

(2) Depreciation method for significant non-current assets

- Property and equipment

Depreciation is calculated based on the depreciable amount, which is calculated as the initial cost of items of property and equipment less their residual values. Depreciation is recognized using the straight-line method to allocate their depreciable amounts over the estimated useful life of each component, and charged to profit or loss. Land is not depreciated.

The estimated useful lives of major classes of property and equipment are as follows:

- Buildings 3 - 50 years
- Furniture and equipment 2 - 20 years

The depreciation method, estimated useful life and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

- Intangible assets other than goodwill

Amortization of intangible assets with finite useful lives are recognized in profit or loss using the straight-line method over the expected useful life, which begins when the assets are available for use.

The estimated useful lives of major classes of intangible assets are as follows:

- Software 3-5 years
- Customer Relationship 4-16 years

The amortization method, estimated useful life and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

- Investment properties

Depreciation is calculated based on the depreciable amount, which is calculated as the initial cost of assets less their residual values. Depreciation is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful life of each component, and charged to profit or loss.

The estimated useful lives of a major component of investment properties are as follows:

- Buildings 8-50 years

An investment property shall be derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gain or loss arising from the derecognition of investment properties is determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss at the time of derecognition.

(3) Recognition and measurement of significant provisions and allowances

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of economic resources will be required to settle the obligation. Provisions are measured at the present value of the expected future cash flow using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation for which the estimates of future cash flows have not been adjusted.

(4) Recognition of revenue and expenses

- Financial income related to investment portfolio (excluding trading assets)

Financial assets at FVTPL are initially recognized at their fair value and related transaction costs are charged to profit or loss as incurred. Gain and loss related to the sale of financial assets at FVTPL are determined as the differences between fair value of the consideration received and the carrying amount.

Changes in the fair value of financial assets at FVTOCI are presented in other comprehensive income. When such financial assets are derecognized (sold) or the decline in fair value of such financial assets is other than temporary when compared with the initial cost, the cumulative gains or losses previously recognized in other comprehensive income are directly transferred in retained earnings. However, dividends from financial assets at FVTOCI are recognized as financial income in profit or loss.

- Net trading income

Securities included in trading assets are classified as financial assets at FVTPL and measured at fair value. Changes in fair value are recognized in profit or loss.

- Commission income

Commission income arises from transactions in which the Group is involved as an agent instead of a principal to the transaction. Revenue from commission income is recognized by reference to the stage of completion of the transaction at the end of the reporting period if the result of the transaction can be reliably estimated.

- Sale of goods

Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any sales return, trade discount and volume rebates. Normally, revenue is recognized when there is persuasive evidence showing that a sales contract has been implemented, that is (i) significant risks and rewards of ownership of the goods have been transferred to the buyer; (ii) it is probable that the economic benefits associated with the transaction will flow to the Group; (iii) the cost incurred and possibility of sales return can be reliably estimated; (iv) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; and (v) the amount of revenue can be measured reliably.

- Income tax expense

Income tax expense consists of current and deferred tax expense, which are recognized in profit or loss, except for those arising from business combinations or recognized directly in equity and other comprehensive income. Current income tax expense is measured at the amount expected to be paid to or recovered from the taxation authorities using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

(5) Translations of significant assets and liabilities denominated in foreign currencies

• Foreign currency transactions

In preparing the financial statements of each individual Group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are translated into the respective functional currencies (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency shall be retranslated using the exchange rate at the date when the fair value was measured. The exchange differences arising from the retranslation were recognized as profit or loss, except for retranslation differences in financial instruments, changes in the fair value recognized in other comprehensive income and exchange differences arising from transactions for the purpose of hedging certain foreign exchange risks.

• Foreign operations

The assets and liabilities, including goodwill and fair value adjustments arising from business combinations, of all the Group entities (mainly foreign operations) that have a functional currency different from the presentation currency are translated into the presentation currency using the rate of exchanges prevailing at the end of each reporting period. Income and expenses of foreign operations are translated into the presentation currency at the average exchange rates. Exchange differences are recognized as other comprehensive income.

NOTES TO CHANGES IN ACCOUNTING POLICY

Except for the following standards that have been newly applied, the accounting policies presented in the consolidated financial statements for the year ended 31 March 2013, are applied consistently in the preparation of these consolidated financial statements.

The Group adopted the following standards beginning with this fiscal year. There is no significant impact to these consolidated financial statements through adoption.

	Statement of standards	Summary of new standards and amendments
IFRS 7	Financial Instruments: Disclosure	Disclosure requirements relating to the offsetting of financial assets and liabilities
IFRS 10	Consolidated Financial Statements	Clarification of definition of control as the basis for consolidation, which shall be adopted by all companies
IFRS 11	Joint Arrangements	Classification and accounting treatment relevant to arrangements under joint control based on contractual agreement rather than legal form
IFRS 12	Disclosure of Interests in Other Entities	Broadens disclosure with regard to interests in other entities, including unconsolidated entities
IFRS 13	Fair Value Measurement	Provides guidance for measurement of fair value applied according to all the standards
IAS 1	Presentation of Financial Statements	Amendment to presentation of items of other comprehensive income
IAS 28	Investments in Associates and Joint Ventures	Amendments based on the publishing of IFRS 10, IFRS 11 and IFRS 12

NOTES TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. Pledged assets and related liabilities

(1) Pledged assets consisted of the following:

Cash and cash equivalents	88 Millions of Yen
Trade and other accounts receivable	9,739 Millions of Yen
Other financial assets	2,645 Millions of Yen
Investment properties	9,851 Millions of Yen
Other assets	284 Millions of Yen
<hr/> Total	<hr/> 22,607 Millions of Yen

(2) The assets above were pledged as collateral for:

Bonds and loans payable	15,359 Millions of Yen
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2. Accumulated depreciation and accumulated impairment loss of property and equipment: 14,388 Millions of Yen

3. Contingent liabilities

Credit guarantees

Guarantees for the debts owed to other financial institutions in the Group's credit guarantee business are as follows:

Guarantee of bank loans	153 Millions of Yen
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NOTES TO CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1. Number and class of issued shares as of 31 March 2014

Common shares	224,561,761 shares
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2. Dividends

(1) Dividend paid

Dividend approved by the Board of Director's Meeting on 9 May 2013

• Dividend amount	2,170 Millions of Yen
• Amount per share	10 Yen
• Record date	31 March 2013
• Effective date	6 June 2013

(2) Dividend whose record date fell in the year ended 31 March 2014, and whose effective date will be in the year ended 31 March 2015

Dividend approved by Board of Director's Meeting on 8 May 2014

• Dividend amount	4,340 Millions of Yen
• Amount per share	20 Yen
• Record date	31 March 2014
• Effective date	6 June 2014

3. Number and class of shares for stock acquisition rights as of 31 March 2014

Common shares related to:

Stock options	353,958.50shares
Convertible bonds	19,556,714.47shares

NOTES TO FINANCIAL INSTRUMENTS

1. Group policy and risk management system for financial instruments

The Group engages in a wide range of financial related businesses, such as securities business, banking services business, leasing business, loan business, credit card business, insurance business, investment business and fund management business, to avoid excessive concentration of risk on specific entities or businesses. To operate its businesses, the Group raises funds through indirect financing such as bank borrowing, direct financing such as bond issuance and equity financing, and transactions with securities financing companies. The Group also considers the market environment and maintains an appropriate strategy for short and long term financing.

The Group conducts trading of derivative instruments including foreign currency forward contracts, interest rate swaps, index futures, and foreign currency spot contracts. The Group enters into foreign currency forward contracts and interest swap transactions primarily to hedge foreign exchange risk and to manage its interest rate exposures on borrowings, respectively. The Group does not hold or issue them for speculative purposes. Index futures are entered into for the purpose of day trading or capping of the size of their transactions. Foreign currency spot contracts are conducted with individual customers and involve cover transactions with counterparties based on the Group's "Position Management Rule".

In order to maintain financial strength and appropriate operational procedures, it is the Group's basic policy of risk management to identify and analyze various risks relevant to the Group entities and strive to carry out integral risk management using appropriate methods.

2. Fair value determination of financial instruments

Fair values of financial assets and financial liabilities are determined based on quoted market prices. If quoted market prices are not available, fair values are calculated using valuation models such as a discounted cash flow analysis. The Group determined fair values of financial assets and financial liabilities as follows:

Cash and cash equivalents, Other financial assets, Trade and other accounts payable, and Other financial liabilities

The fair values are determined at the carrying values as they approximate the carrying values due to their short maturities.

Trade and other accounts receivable

The fair values are determined based on the future cash inflows discounted at the adequate rates such as government risk free rates considering credit risk.

Assets and liabilities related to securities business

With respect to loans on margin transactions included in margin transaction assets, the fair values are determined at the carrying value as the interest rates of the loans are floating rates and reflect the market interest rate within a short period. The fair values of assets and liabilities related to securities business except for loans on margin transactions are considered to approximate the carrying values as those assets and liabilities are settled within a short period. With respect to trading assets and trading liabilities, the fair values are determined as described in "Operational investment securities and other investment securities" and "Derivatives".

Operational investment securities and other investment securities

The fair values of listed equity securities are determined based on the quoted market prices in the stock exchange. The fair values of unlisted equity securities, bonds with share options and stock warrants are determined using valuation models including the discounted cash flow analysis, the analysis based on revenues, profits and net assets, and pricing analysis with reference to comparable industry prices. The fair values of investments in funds are determined at the fair values of partnership net assets based on the Group's percentage share in the contributed capital, if such fair values are available.

Bonds and loans payable

With respect to bonds and loans payable with floating interest rates, the fair values are determined at the carrying values as the interest rates of the bonds and loans reflect the market interest rate within a short period and as the credit condition of companies that obtained the bonds and loans are not expected to change significantly. With respect to bonds payable with fixed interest rates, the fair values are determined based on the future cash outflows considering remaining periods and discount rates adjusted with credit risks. With respect to loans payable with fixed interest rates, the fair values are determined at the present value of the future cash outflows, where the sum of principal and interest of loans are grouped according to their maturities and discounted using interest rates with reference to similar types of loans. The fair value of bonds payable and loans payable with short maturities are determined at the carrying values since they approximate the carrying values.

Customer deposits for banking business

Fair values of demand deposits are determined at the carrying values which are the amounts paid on demand at the reporting date. The fair values of time deposits are determined based on the future cash inflows discounted at the adequate rates such as government bond yield considering credit risk. However, the fair values of time deposits with short time maturities are determined at the carrying values since they approximate the carrying values.

Derivatives

The fair values of foreign currency forward contracts are determined based on the future exchange rate at the reporting date, whereas the fair values of foreign currency spot contracts are determined using the spot rate at the reporting date. With respect to index futures and options, the fair values are determined based on market closing price at the reporting date in principal stock exchanges. With regard to interest swaps, the fair values are determined by reference to offered prices by financial institutions.

3. Fair value of financial instruments

(Millions of Yen)

	Carrying Amount	Fair Value
Financial assets		
Cash and cash equivalents	276,221	276,221
Trade and other accounts receivable	336,206	340,124
Assets related to securities business	1,739,493	1,739,493
Other financial assets	30,593	30,593
Operational investment securities	127,365	127,365
Other investment securities	49,234	49,234
Financial liabilities		
Bonds and loans payable	440,112	440,688
Trade and other accounts payable	53,503	53,503
Liabilities related to securities business	1,617,913	1,617,913
Customer deposits for banking business	302,314	302,490
Other financial liabilities	38,015	38,015

NOTES TO PER SHARE INFORMATION

Equity per share attributable to owners of the Company	1,504.19 Yen
Basic earnings per share attributable to owners of the Company	99.04 Yen

OTHER NOTES

1. Changes in corporation tax rates

The Act for Partial Amendment of the Income Tax Act, etc. (Act No. 10 of 2014) was promulgated on 31 March 2014. As a result, the Company is no longer subject to the special reconstruction corporation tax from the fiscal year starting on or after 1 April 2014. In connection with this promulgation, the statutory effective tax rate used to calculate deferred tax assets and liabilities with respect to temporary differences that are expected to reverse during the fiscal year that starts on 1 April 2014 is changed from the previous 38.01% to 35.64%. The change in tax rate had little impact on income tax expense and current-year profit.

2. Share Acquisition of PCA Life Insurance Co., Ltd.

Upon resolution and approval by the Company's Board of Directors at its meeting held on 16 July 2013, the Company entered into an agreement to acquire 100% of the equity interest in PCA Life Insurance Co., Ltd., a Japanese arm of Prudential plc, subject to the approval by the relevant authorities, and the Company entered into a share transfer agreement at the same date.

The due date of the transfer of shares is to be determined since the transfer will be conducted after the authorization or permission by the relevant authorities.

(1) Background and rationale of share acquisition

As part of the SBI Group's overall strategy, the Group has been considering to reenter into the life insurance business and believes that the acquisition will provide a valuable opportunity in starting its life insurance business in Japan.

(2) Name of the vendor
Prudential Corporation Holdings Limited

(3) Summary of acquired company

(a) Name	PCA Life Insurance Co., Ltd.
(b) Main Business Activities	Insurance business
(c) Capital Stock	47.5 billion yen (as at 31 December 2013)

(4) Number of shares to be acquired, acquisition amount and the number of shares held after the acquisition

(a) Number of shares to be acquired	1,480,000 (Number of voting right: 1,480,000)
(b) Acquisition amount	Common share of PCA Life Insurance: USD 85 million
(c) Number of shares held after acquisition	1,480,000 (Number of voting right: 1,480,000) (Shareholding ratio: 100%)

(Note) The amounts in the consolidated financial statements are rounded to the nearest million Japanese yen, unless stated otherwise.

FINANCIAL STATEMENTS
(1)

Balance Sheet

As at 31 March
2014

Millions of Yen

Assets	
Current assets	
Cash and deposit	16,971
Accounts receivable-trade	1,031
Real estate for sale in progress	5,163
Operational investment securities	16,370
Allowance for investment losses	(609)
Short-term investment securities	27
Raw materials and supplies	1
Prepaid expenses	298
Operational loans receivable	47
Short-term loans receivable	48,318
Deferred tax assets	1,299
Others	10,463
Allowance for doubtful accounts	(859)
Total current assets	<u>98,520</u>
Non-current assets	
Property and equipment	
Buildings	3,798
Structures	3
Machinery and equipment	8
Vehicles	10
Tools, furniture and fixtures	142
Land	655
Lease assets	3
Construction in progress	35
Total property and equipment	<u>4,654</u>
Intangible assets	
Patents	4
Trademark	18
Software	275
Telephone rights	5
Total intangible assets	<u>302</u>

	As at 31 March 2014
	<u>Millions of Yen</u>
Investments and other assets	
Stocks of subsidiaries and associates	467,400
Investments in other securities of subsidiaries and associates	38,226
Investment securities	2,928
Investments in subsidiaries and associates other than equity securities	41
Long-term loans receivable from subsidiaries and associates	1,070
Long-term prepaid expenses	7
Lease and guarantee deposits	1,441
Others	10
Total investments and other assets	<u>511,123</u>
Deferred charges	
Bonds issuance costs	337
Total deferred charges	<u>337</u>
Total non-current assets	<u>516,079</u>
Total assets	<u><u>614,936</u></u>
Liabilities	
Current liabilities	
Short-term loans payable	107,860
Current portion of bonds payable	70,000
Lease obligations	1
Accounts payable	2,499
Accrued expenses	540
Accrued income tax	4,540
Advances received	263
Deposits received	98
Others	29
Total current liabilities	<u>185,830</u>
Non-current liabilities	
Bonds payable	60,000
Long-term loans payable	844
Lease obligations	2
Deferred tax liabilities	990
Asset retirement obligation	122
Long-term deposits received	6,276
Total non-current liabilities	<u>68,234</u>
Total liabilities	<u><u>254,064</u></u>

	As at 31 March 2014
	<u>Millions of Yen</u>
Net assets	
Shareholders' equity	
Capital stock	81,681
Capital surplus	
Legal capital surplus	126,792
Other capital surplus	101,183
Total capital surplus	<u>227,975</u>
Retained earnings	
Other retained earnings	
Retained earnings brought forward	<u>53,121</u>
Total retained earnings	<u>53,121</u>
Treasury stock	<u>(5,140)</u>
Total shareholders' equity	<u>357,637</u>
Valuation and translation adjustments	
Unrealized gains on available-for-sale securities	<u>3,235</u>
Total valuation and translation adjustments	<u>3,235</u>
Total net assets	<u>360,872</u>
Total liabilities and net assets	<u><u>614,936</u></u>

(2) Statement of Income

	Fiscal Year ended 31 March 2014
	Millions of Yen
Net sales	32,519
Cost of sales	12,321
Gross profit	20,198
Selling, general and administrative expenses	6,177
Operating income	14,021
Non-operating income	
Interest income	1,348
Dividend income	25
Foreign exchange gains	547
Others	154
Total non-operating income	2,074
Non-operating expense	
Interest expense	3,338
Amortization of bond issuance costs	396
Commission fees	526
Others	117
Total non-operating expense	4,377
Ordinary income	11,718
Extraordinary income	
Gains on sales of investment securities	1,053
Gains on liquidation of subsidiaries and associates	811
Gains on sales of investment in subsidiaries and associates	4,137
Others	64
Total extraordinary income	6,065
Extraordinary expense	
Impairment losses	921
Losses on sales of tangible fixed assets	1,467
Losses on valuation of investment in subsidiaries and associates	12,503
Others	624
Total extraordinary expense	15,515
Income before income taxes	2,268
Income taxes-current	(3,613)
Income taxes-deferred	3,841
Total income taxes	228
Net income	2,040

(3) Statement of Changes in Net Assets

	Shareholders' Equity							Total
	Capital Stock	Capital Surplus			Retained earnings		Treasury Stock	
		Legal Capital Surplus	Other Capital Surplus	Total	Other Retained Earnings	Total		
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	
As at 1 April 2013	81,668	126,779	101,180	227,959	53,251	53,251	(5,117)	357,761
Issuance of new stock	13	13	—	13	—	—	—	26
Dividends paid	—	—	—	—	(2,170)	(2,170)	—	(2,170)
Net income	—	—	—	—	2,040	2,040	—	2,040
Treasury shares purchased	—	—	—	—	—	—	(64)	(64)
Treasury shares sold	—	—	3	3	—	—	41	44
Net changes other than shareholders' equity	—	—	—	—	—	—	—	—
Total changes during the year	13	13	3	16	(130)	(130)	(23)	(124)
As at 31 March 2014	81,681	126,792	101,183	227,975	53,121	53,121	(5,140)	357,637

	Valuation and Translation Adjustments		Total Net Assets
	Unrealized gains on available-for-sale securities	Total	
	Millions of Yen	Millions of Yen	
As at 1 April 2013	1,066	1,066	358,827
Issuance of new stock	—	—	26
Dividends paid	—	—	(2,170)
Net income	—	—	2,040
Treasury shares purchased	—	—	(64)
Treasury shares sold	—	—	44
Net changes other than shareholders' equity	2,169	2,169	2,169
Total changes during the year	2,169	2,169	2,045
As at 31 March 2014	3,235	3,235	360,872

NOTES TO THE FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES

1. Valuation of significant assets

(1) Stocks of subsidiaries and associates

Cost determined by the moving-average cost method

(2) Available-for-sale securities (including operational investment securities)

· Listed securities

At fair value, with unrealized gains and losses, net of applicable taxes, reported as a separate component of net assets. The cost of securities sold is determined based on the moving-average cost method.

· Unlisted securities

At cost determined by the moving-average cost method

(3) Investment in funds

For the investments in funds which are categorized as subsidiaries, the Company's proportionate share in the net assets of those funds are calculated based on the provisional financial statements of the funds as at the Company's year end and are presented as "investments in other securities of subsidiaries and associates" (non-current assets).

For the investments in funds which are not categorized as subsidiaries, the Company's proportionate share in the net assets of those funds is calculated based on the funds' annual financial statements or interim financial statements and is presented in "operational investment securities" (current assets).

Shares of the Company's subsidiaries and associates that are held by funds are included in "Stocks of subsidiaries and associates" (non-current assets) based on the Company's percentage of shares owned.

(4) Real estate for sale

At the lower of cost or net realizable value. Cost is determined by the specific identification method.

2. Depreciation method of depreciable assets

(1) Property and equipment other than lease assets

Depreciation is computed using the declining balance method, while the straight-line method is applied to buildings.

The range of useful lives is principally from 3 to 50 years for buildings, from 15 to 20 years for structures, 8 years for machinery and equipment, from 2 to 20 years for tools, furniture and fixtures, and 6 years for vehicles.

(2) Intangible assets other than lease assets

Intangible assets are amortized using the straight-line method. Software used for internal purposes is amortized using the straight-line method over its estimated useful life (5 years).

(3) Lease assets

Lease assets treated as finance leases without ownership transfer are depreciated using the straight-line method over the lease term with a residual value of zero.

3. Recognition and measurement of significant provisions and allowances

(1) Allowance for investment losses

Allowance for investment losses for operational investment securities are provided based on the estimated losses of the investment and the financial condition of the investees.

(2) Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on the Company's past credit loss experience.

Allowance for doubtful accounts for outstanding receivables which deems to be uncollectable is provided based on the estimated loss on an individual basis.

4. Recognition of revenue and expenses

(1) Net sales and cost of sales

Net sales principally consist of revenue from operational investment securities, revenue from real estate business, and dividend income. Cost of sales principally consists of the cost of operational investment securities, provision of allowance for investment losses and the cost of real estate business.

(2) Revenue and cost of operational investment securities

Revenue from operational investment securities consists of proceeds from the sale of operational investment securities and securities held by funds and interest and dividend income from these securities. Cost of operational investment securities consists of the carrying value on the sale of operational investment securities and securities held by funds, fees related to securities transactions, and write down of operational investment securities and securities held by funds.

(3) Dividend income

Dividends from subsidiaries and associates are recorded as dividend income which is included in net sales in the statement of income.

5. Other significant accounting policies for financial statements

(1) Deferred charges

· Bond issuance costs

Bond issuance costs are amortized over the bond term by using the straight-line method.

(2) Translations of significant assets and liabilities denominated in foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen using the exchange rates at the balance sheet date. The resulting translation gain or loss is recognized in income statement.

(3) Accounting for investments in funds

As for the investments in funds categorized as subsidiaries, the Company's proportionate share in the net assets and revenue/expenses of those funds are calculated based on the provisional financial statements of the funds as at the Company's year end and are presented as "Investment in other securities of subsidiaries and associates" (Non-current assets) and revenue/expenses. For the investments in funds, which are not categorized as subsidiaries, the Company's proportionate share in the net assets and revenue/expenses of those funds are calculated based on the funds' annual financial statements or interim financial statements and are presented in "Operational investment securities" (Current assets) and revenue/expenses. The Company's proportionate share of investments in subsidiaries or associates held by funds and related gains/losses from the sale by funds are presented as "Stocks of subsidiaries and associates" (Non-current assets).

(4) Accounting for consumption tax

The amounts in the financial statements are presented without consumption or local consumption taxes.

Nondeductible consumption taxes are recorded as selling, general and administrative expenses.

(5) Adoption of tax consolidation

The Company adopts tax consolidation.

ADDITIONAL INFORMATION

(Stock Benefit Trust)

At the board meeting held on 29 September 2011, the directors of the Company resolved to introduce “Stock Benefit Trust (Employee Stockholding Association Purchase-type)” (hereinafter the “Plan” and the “Trust”). The purpose of the Plan is to improve employees’ welfare and to increase their motivation for work and awareness of the Company’s stock performance through its steady provision of the stock to the employee stockholding association and distribution of the profit created by trust property management in order to increase the Company’s corporate value.

Accounting for the Trust is based upon the assumption that the Company and the Trust are inseparable. The Company’s stock held by the Trust is accounted for as treasury stock while the Trust’s assets and liabilities as well as its income and expenses are included in the Company’s financial statements. The number of stocks held by the Trust is included in the number of treasury stock and not included in the number of shares outstanding for the calculation of per share information. The number of treasury stock held by the Trust as at 31 March 2014 was 511,940 shares.

(Share Acquisition of PCA Life Insurance Co., Ltd.)

Upon resolution and approval by the Company’s Board of Directors at its meeting held on 16 July 2013, the Company entered into an agreement to acquire 100% of the equity interest in PCA Life Insurance Co., Ltd., a Japanese arm of Prudential plc, subject to the approval by the relevant authorities, and the Company entered into a share transfer agreement at the same date.

The due date of the transfer of shares is to be determined since the transfer will be conducted after the authorization or permission by the relevant authorities.

Please refer to NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS -“OTHER NOTES” for further information.

NOTES TO BALANCE SHEET

1. Pledged assets and related liabilities

Pledged assets consisted of the following:

	As at 31 March 2014
	Millions of Yen
Cash and deposits	87
Buildings	1,191
Land	224
Total	1,502

The assets above were pledged as collateral for:

	As at 31 March 2014
	Millions of Yen
Short-term loans payable	19
Long-term loans payable	550
Total	569

2. Accumulated depreciation:

	As at 31 March 2014
	Millions of Yen
Property and equipment	1,795

3. Contingent Liabilities:

(1) Guarantees for trade liability of subsidiaries and associates 1,889 Millions of Yen

(2) Others

SBI Liquidity Market Co., Ltd., a consolidated subsidiary, enters into banking cover deals to ensure liquidity in foreign exchange margin trading. The Company entered into an agreement to provide credit and joint guarantees to the current and future obligation relating to this business which SBI Liquidity Market Co., Ltd. owes to counterparties. As at the end of the period, there was no obligations balance outstanding.

With respect to the currency margin transaction between SBI Liquidity Market Co., Ltd. and SBI SECURITIES Co., Ltd., a consolidated subsidiary of the Company linked to the foreign exchange margin trading between SBI SECURITIES Co., Ltd., and its customers, the Company jointly guarantees all obligations which SBI SECURITIES Co., Ltd. owes to SBI Liquidity Market Co., Ltd. As at the end of the period, there was no obligations balance outstanding.

4. Assets and liabilities of subsidiaries and associates:

	As at 31 March 2014
	Millions of Yen
(1) Short-term receivables	58,234
(2) Long-term receivables	1,074
(3) Short-term payables	55,555
(4) Long-term payables	5,614

NOTES TO STATEMENT OF INCOME

Transactions with subsidiaries and associates:

	As at 31 March 2014
	<hr/> Millions of Yen
Net sales	18,317
Purchases	3,830
Other transactions	7,684

NOTES TO STATEMENT OF CHANGES IN NET ASSETS

Class and number of treasury stock

	As at 31 March 2014
	<hr/> Shares
Common shares	8,078,743

(Note) As described in "ADDITIONAL INFORMATION, Stock Benefit Trust," the number of treasury stock includes the shares held by the Stock Benefit Trust.

NOTES TO DEFERRED TAX ACCOUNTING

1. Major factors resulting in deferred tax assets and liabilities

Deferred tax assets are mainly due to losses on valuation of investment securities and tax loss carried forward.

2. Changes in corporation tax rates

The Act for Partial Amendment of the Income Tax Act, etc. (Act No. 10 of 2014) was promulgated on 31 March 2014. As a result, the Company is no longer subject to the special reconstruction corporation tax from the fiscal year starting on or after 1 April 2014. In connection with this promulgation, the statutory effective tax rate used to calculate deferred tax assets and liabilities with respect to temporary differences that are expected to reverse during the fiscal year that starts on 1 April 2014 is changed from the previous 38.01% to 35.64%.

As a consequence of this tax rate change, the amount of deferred tax assets (net of the amount of deferred tax liabilities) decreased by 119 million yen and the amount of deferred tax liabilities (net of the amount of deferred tax assets) decreased by 19 million yen. Income taxes-deferred increased by 177 million yen.

NOTES TO LEASED NONCURRENT ASSETS

Other than those recorded as noncurrent-assets on the balance sheet, the Company uses office machinery and furniture and fixtures under finance lease agreements where the ownership is not transferred.

RELATED PARTY TRANSACTIONS

Transactions with subsidiaries and associates

Type	Company name	Voting rights holding ratio (%) ^{*1}	Relationship with related party	Transaction description	Amounts (Millions of Yen)	Account name	Balance (Millions of Yen)
Subsidiary	SBI Incubation Co., Ltd.	100 (79.8)	Interlocking directors	Finance (*2)	32,189	Short-term loans receivable	18,451
Subsidiary	e-Research Inc.	100 (100)	—	Finance (*2)	20,920	Short-term loans receivable	10,390
Subsidiary	SBI Card Co., Ltd.	100	Interlocking directors	Finance (*2)	7,944	Short-term loans receivable	2,822
Subsidiary	SBI Guarantee Co., Ltd.	100 (100)	—	Finance (*2)	9,326	Short-term loans receivable	287
Subsidiary	CEM Corporation Co., Ltd	79.7 (57.1)	—	Finance (*2)	15,840	Short-term loans receivable	7,650
Subsidiary	SBI Hong Kong Holdings Co., Limited	100	Interlocking directors	Finance (*2)	7,113	Short-term loans receivable	3,116
Subsidiary	SBI SECURITIES Co., Ltd.	100 (100)	Interlocking directors	Transaction of Individual Allocated Amount of Consolidated Corporation Tax	8,938	Other receivable	7,789
				Borrowing(*2)	223,000	Short-term loans payable	49,000
				Payment of interests(*2)	970	—	—
Subsidiary	SBI Asset Korea Co., Ltd.	100 (28.1)	—	Capital contribution	7,536	—	—
Subsidiary	SBI IF Co., Ltd	100 (30.3)	—	Capital contribution	11,399	—	—
Subsidiary	SBI CF Co., Ltd	100 (30.3)	—	Capital contribution	11,399	—	—
Subsidiary	SBI BF Co., Ltd	100 (30.3)	—	Capital contribution	11,399	—	—
Subsidiary	SBI GK Co., Ltd.	100 (1.6)	Interlocking directors	Capital contribution	31,220	—	—
Subsidiary	SBI Investment Co., Ltd.	100 (100)	Interlocking directors	Borrowing(*2)	7,000	Short-term loans payable	3,500
Subsidiary	SBI FINANCIAL SERVICES Co., Ltd.	100	Interlocking directors	Borrowing(*2)	31,282	Short-term loans payable	641
				Guaranteed(*3)	127,103	—	—
				Dividend in kind	15,000	—	—
Subsidiary	SBI Marketing Co., Ltd.	100 (100)	—	Payment of advertising expense	2,672	—	—
Subsidiary	SBI Mortgage Co.,Ltd.	66.5 (15.2)	Interlocking directors	Sale of investment in subsidiary (*4)			
				Proceed	4,300	—	—
				Gain	3,454	—	—

Note:

(*1) The figure in the parentheses represents the indirect holding ratio of voting rights.

(*2) The interest rate for finance and borrowing was determined based on the market interest rate.

(*3) A borrowing from subsidiary was pledged for by SBI FINANCIAL SERVICES Co., Ltd. The amount represents the outstanding balance.

(*4) The selling price was determined by taking into account the stock valuation conducted by independent third party.

NOTES TO PER SHARE INFORMATION

	Year ended 31 March 2014
	Yen
Net assets per share	1,666.98
Net income per share	9.42

(Note) The amounts in the financial statements are rounded to the nearest million Japanese yen, unless stated otherwise.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

16 May 2014

To the Board of Directors of
SBI Holdings, Ltd.:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Akemi Mochizuki

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Nozomu Kunimoto

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Kunikazu Awashima

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated statement of financial position as of 31 March 2014 of SBI Holdings, Inc. (the "Company") and its consolidated subsidiaries, and the consolidated statement of income, statement of changes in equity for the fiscal year from 1 April 2013 to 31 March 2014, and the related notes..

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting which allows companies to prepare consolidated financial statements with the omission of a part of the disclosures required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment,

including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the consolidated financial statements referred to above, prepared with the omission of a part of the disclosures required under International Financial Reporting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, present fairly, in all material respects, the financial position of SBI Holdings, Inc. and its consolidated subsidiaries as of 31 March 2014, and the results of their operations for the year then ended.

Emphasis of Matter

As discussed in other notes to the consolidated financial statements, upon resolution and approval by the Company's Board of Directors at its meeting held on 16 July 2013, the Company entered into an agreement to acquire 100% of the equity interest in PCA Life Insurance Co., Ltd., a Japanese arm of Prudential plc, subject to the approval by the relevant authorities, and the Company entered into a share transfer agreement at the same date. Our opinion is not qualified in respect of this matter.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION)

INDEPENDENT AUDITOR'S REPORT

16 May 2014

To the Board of Directors of
SBI Holdings, Inc.:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Akemi Mochizuki

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Nozomu Kunimoto

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Kunikazu Awashima

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the balance sheet as of 31 March 2014 of SBI Holdings, Inc. (the "Company"), and the related statements of income and changes in net assets for the 16th fiscal year from 1 April 2013 to 31 March 2014, and the related notes and the accompanying supplemental schedules.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements and the accompanying supplemental schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplemental schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the accompanying supplemental schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accompanying supplemental schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the accompanying supplemental schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the accompanying supplemental schedules, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the accompanying supplemental schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the accompanying supplemental schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of SBI Holdings, Inc. as of 31 March 2014, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Emphasis of Matter

As discussed in additional information to the financial statements, upon resolution and approval by the Company's Board of Directors at its meeting held on 16 July 2013, the Company entered into an agreement to acquire 100% of the equity interest in PCA Life Insurance Co., Ltd., a Japanese arm of Prudential plc, subject to the approval by the relevant authorities, and the Company entered into a share transfer agreement at the same date. Our opinion is not qualified in respect of this matter.

Interest

Our firm and the engagement partners do not have any interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language and "the accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

Report by the Board of Statutory Auditors

AUDIT REPORT

With respect to the directors' performance of their duties during the 16th fiscal year (from April 1, 2013 to March 31, 2014), the Board of Statutory Auditors has prepared this audit report after deliberations based on the audit reports prepared by each Statutory Auditor, and hereby reports as follows.

1. Method and Contents of Audit by Each Statutory Auditor and Board of Statutory Auditors

The Board of Statutory Auditors has established the audit policies, assignment of duties, etc. and received a report from each Statutory Auditor regarding the status of implementation of their audits and results thereof. In addition, the Board of Statutory Auditors has received reports from the Directors and the Accounting Auditor regarding the status of performance of their duties, and requested explanations as necessary.

In conformity with the Statutory Auditors' auditing standards established by the Board of Statutory Auditors, and in accordance with the audit policies and assignment of duties, etc., each of the Statutory Auditors endeavored to facilitate a mutual understanding with the directors, the internal audit division, and other employees, etc., endeavored to collect information and maintain and improve the audit environment, has attended the meetings of the Board of Directors and other important meetings, received reports on the status of performance of duties from the directors and other employees and requested explanations as necessary, examined important approval/decision documents, and inspected the status of the corporate affairs and assets at the Company's head office.

Also, in relation to (i) the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Directors' performance of their duties described in the Business Report complied with all laws, regulations, and the Articles of Incorporation and other systems set out in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a joint stock company (kabushiki kaisha), and (ii) the systems (internal control systems) based on those resolutions, each Statutory Auditor has regularly received reports on the structure of that system and status of operation from Directors and other employees, requested explanations as necessary, and expressed its opinion. With respect to internal controls over financial reporting, the Board of Statutory Auditors has received reports regarding assessments and the status of auditing of such internal controls from the Directors, etc. and Deloitte Touche Tohmatsu LLC and requested explanations as necessary. With respect to subsidiaries, each Statutory Auditor endeavored to facilitate a mutual understanding and exchanged information with the directors and statutory auditors, etc. of each subsidiary and received from subsidiaries reports on their respective business as necessary. Based on the above-described methods, each Statutory Auditor examined the Business Report and the supplementary statements for the relevant fiscal year under consideration.

In addition, each Statutory Auditor monitored and verified whether the Accounting Auditor maintained its independence and properly conducted its audit, received a report from the

Accounting Auditor on the status of their performance of duties, and requested explanations as necessary. Each Statutory Auditor was notified by the Accounting Auditor that it had established a “system to ensure that the performance of the duties of the Accounting Auditor was properly conducted” (the matters listed in the items of Article 131 of the Ordinance of Companies Accounting) in accordance with the “Quality Control Standards for Audits” (Business Accounting Council on October 28, 2005), and requested explanations as necessary. Based on the above-described methods, each Statutory Auditor examined the Non-Consolidated Financial Statements (the balance sheets, the statements of operations, the statements of changes in net assets, and the related notes) and the supplementary statements, and the Consolidated Financial Statements (the consolidated statement of financial position, the related consolidated statements of income and changes in net assets, and the related notes that were prepared in accordance with International Financial Reporting Standards with some omissions of disclosure items pursuant to the latter part of first paragraph of Article 120 of the Ordinance of Companies Accounting) for the fiscal year under consideration.

2. Results of Audit

(1) Results of Audit of Business Report, etc.

- (i) We acknowledge that the Business Report and the supplementary statements fairly present the status of the Company in conformity with the applicable laws, regulations, and the Articles of Incorporation.
- (ii) We acknowledge that no misconduct or material fact constituting a violation of laws, regulations, or the Articles of Incorporation was found with respect to the Directors' performance of their duties.
- (iii) We acknowledge that the Board of Director's resolutions with respect to the internal control systems are appropriate. We did not find any matter in the Business Report or the Directors' performance of their duties concerning the internal control systems that requiring mentioning.

(2) Results of Audit of the Non-Consolidated Financial Statements and the Supplementary Statements

We acknowledge that the methods and results of audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

(3) Results of Audit of the Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are appropriate.

May 23, 2014

The Board of Statutory Auditors of SBI Holdings, Inc.

Standing Statutory Auditor

Atsushi Fujii (seal)

Outside Statutory Auditor:

Ryujiro Shimamoto (seal)

Statutory Auditor:

Minoru Tada (seal)

Outside Statutory Auditor:

Hisashi Hayakawa (seal)

-End-

**THE REFERENCE MATERIALS FOR
THE GENERAL MEETING OF SHAREHOLDERS**

First Item of Business: Election of Fifteen (15) Directors

The term of office of all thirteen (13) current Directors expires as of the end of this Ordinary General Meeting of Shareholders, so the Company proposes that fifteen (15) Directors be elected, including three (3) candidates for new Directors.

1. The candidates for Directors to be reelected upon expiry of the term of office are as follows:

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	Number of Company's Shares Owned
1	Yoshitaka Kitao (January 21, 1951)	<p>April 1974 Entered Nomura Securities Co., Ltd.</p> <p>June 1995 Executive Vice President and CFO of SOFTBANK CORP.</p> <p>March 1999 Representative Director of Softbank Finance Corp. (Currently, SOFTBANK TELECOM Corp.)</p> <p>July 1999 Representative Director and President of the Company</p> <p>June 2003 Representative Director and CEO of the Company</p> <p>July 2004 Director and Chairman of E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p>June 2005 Representative Director and CEO of SBI VENTURES K.K. (Currently, SBI Investment Co., Ltd.)</p> <p>Aug. 2005 Director and Chairman of SBI Mortgage Co., Ltd.</p> <p>March 2006 Director and CEO of Morningstar Japan K.K.</p> <p>June 2006 Director and Chairman of KAWADEN CORPORATION (present)</p> <p>Nov. 2006 Director of SBI Japannext Co., Ltd. (present)</p> <p>June 2007 Director of SBI VEN HOLDINGS PTE. LTD. (present)</p> <p>Sep. 2008 Director of SBI Hong Kong Co., Limited (Currently, SBI Hong Kong Holdings Co., Limited)</p> <p>Oct. 2010 Representative Director and Chairman of SBI SECURITIES Co., Ltd. (present)</p> <p>June 2012 Director of SBI FINANCIAL SERVICES Co., Ltd.</p> <p>June 2012 Director of SBI Capital Management Co., Ltd. (present)</p> <p>June 2012 Representative Director, President & CEO of the Company (present)</p> <p>July 2012 Director of Morningstar Japan K.K. (present)</p>	3,807,960 shares

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	Number of Company's Shares Owned
		<p>July 2012 Representative Director of SBI Hong Kong Holdings Co., Limited (present)</p> <p>May 2013 Representative Director and Chairman of SBI Investment Co., Ltd.(present)</p> <p>March 2014 Representative Director, Chairman & CEO of SBI Mortgage Co., Ltd. (present)</p> <p>April 2014 Representative Director and President of SBI FINANCIAL SERVICES Co., Ltd. (present)</p>	
2	Takashi Nakagawa (September 6, 1963)	<p>April 1987 Entered The Fuji Bank, Limited (Currently, Mizuho Financial Group, Inc.)</p> <p>April 1999 Entered Softbank Finance Corp. (Currently, SOFTBANK TELECOM Corp.)</p> <p>June 2000 Entered the Company</p> <p>Aug. 2002 Executive Officer of the Company</p> <p>Dec. 2002 Director of the Company</p> <p>June 2003 Director and Executive Officer of the Company</p> <p>June 2005 Director and Managing Executive Officer of SBI VENTURES K.K. (Currently, SBI Investment Co., Ltd.)</p> <p>June 2006 Director of the Company</p> <p>July 2006 Representative Director and COO of SOFTBANK INVESTMENT CORPORATION (Currently, SBI Investment Co., Ltd.)</p> <p>June 2007 Director and Managing Executive Officer of the Company</p> <p>June 2008 Director and Senior Managing Executive Officer of the Company</p> <p>June 2009 Director and Executive Officer of the Company</p> <p>Sep. 2010 Director, Executive Officer, and Head of Fund Investments, Overseas Business Div. of the Company</p> <p>June 2012 Representative Director and President of SBI Capital Management Co., Ltd. (present)</p> <p>June 2012 Director & Senior Managing Executive Officer, and Head of Fund Investments, Overseas Business Div. of the Company</p> <p>June 2012 Director of SBI AXES Co., Ltd. (present)</p> <p>Feb. 2013 Director & Senior Managing Executive Officer of the Company (present)</p> <p>May 2013 Representative Director and President of SBI Investment Co., Ltd. (present)</p>	42,000 shares

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	Number of Company's Shares Owned
3	Tomoya Asakura (March 16, 1966)	<p>April 1989 Entered The Hokkaido Takushoku Bank, Ltd.</p> <p>Jan. 1990 Entered Merrill Lynch Japan Incorporated (Currently, Merrill Lynch Japan Securities Co., Ltd.)</p> <p>June 1995 Entered SOFTBANK CORP.</p> <p>Nov. 1998 Entered Morningstar Japan K.K.</p> <p>March 2000 Director and General Manager of Internet Business Division of Morningstar Japan K.K.</p> <p>March 2001 Managing Director of Morningstar Japan K.K.</p> <p>May 2001 Representative Director of Morningstar Asset Management Co., Ltd. (present)</p> <p>March 2004 Representative and Senior Managing Director of Morningstar Japan K.K.</p> <p>July 2004 Representative Director and President of Morningstar Japan K.K.</p> <p>March 2005 Representative Director and CEO of Morningstar Japan K.K.</p> <p>Dec. 2005 Representative Director and COO of Morningstar Japan K.K.</p> <p>June 2007 Director and Executive Officer of the Company</p> <p>June 2012 Director of SBI FINANCIAL SERVICES Co., Ltd. (present)</p> <p>June 2012 Director of SBI Insurance Co., Ltd. (present)</p> <p>June 2012 Director & Managing Executive Officer of the Company</p> <p>July 2012 Representative Director & President of Morningstar Japan K.K. (present)</p> <p>June 2013 Director & Senior Managing Executive Officer of the Company (present)</p>	—

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	Number of Company's Shares Owned
4	Shumpei Morita (December 31, 1974)	<p>April 1998 Entered SOFTBANK CORP.</p> <p>April 1999 Entered Softbank Accounting Corp. (Currently, SOFTBANK TELECOM Corp.)</p> <p>July 2000 Representative Director and President of Office Work Corporation (Currently, SBI Business Solutions Co., Ltd.)</p> <p>Oct. 2002 Representative Director and President of Office Work Systems Corporation. (Currently, SBI Business Solutions Co., Ltd.)</p> <p>Nov. 2005 Representative Director and President of JCN Land Co., Ltd (Currently, SBI Business Solutions Co., Ltd.) (present)</p> <p>June 2009 Director and Executive Officer of the Company</p> <p>June 2011 Outside Statutory Auditor of Morningstar Japan K.K.</p> <p>Oct. 2011 Director and CFO of the Company</p> <p>June 2012 Director of SBI FINANCIAL SERVICES Co., Ltd. (present)</p> <p>June 2012 Director of SBI Capital Management Co., Ltd. (present)</p> <p>June 2012 Director, Managing Executive Officer & CFO of the Company (present)</p>	20,000 shares
5	Peilung Li (October 31, 1974)	<p>April 2000 Entered Deloitte Tohmatsu Consulting Co., Ltd.</p> <p>Oct. 2003 Entered Daiwa Securities SMBC Co., Ltd. (Currently, Daiwa Securities Co., Ltd.)</p> <p>Aug. 2006 Entered Taiyo Pacific Partners LP</p> <p>April 2008 Entered the Company</p> <p>Nov. 2008 The Company's Representative Office in Beijing</p> <p>Dec. 2009 The Chief Representative of the Company's Representative Office in Shanghai</p> <p>Sep. 2010 General Manager of Overseas Business Div. of the Company</p> <p>June 2011 Director and CEO of CSJ-SBI Financial Media Co., Ltd. (present)</p> <p>Nov. 2011 Director of Tianan Insurance Co., Ltd. (Currently, Tianan Property Insurance Company Limited) (present)</p> <p>June 2012 Director and Executive Officer and The Chief Representative of the Company's Representative Office in Shanghai of the Company (present)</p> <p>Nov. 2012 Representative Director of SBI (China) Co.,Ltd. (present)</p> <p>Nov. 2012 Representative Director of Shanghai SBI-INESA Equity Investment Management Co., Ltd. (present)</p>	—

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	Number of Company's Shares Owned
6	Masato Takamura (Feb. 26, 1969)	<p>April 1992 Entered The Sanwa Bank, Limited (Currently, The Bank of Tokyo-Mitsubishi UFJ, Ltd.)</p> <p>March 2005 Entered E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p>Oct. 2005 General Manager of Corporate Dept. of E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p>March 2006 Executive Officer and General Manager of Corporate Dept. of E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p>June 2007 Director and Executive Officer, management of Corporate Dept. of SBI E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p>April 2012 Managing Director, management of Corporate Dept. of SBI SECURITIES Co., Ltd.</p> <p>March 2013 Representative Director and President of SBI SECURITIES Co., Ltd. (present)</p> <p>June 2013 Director of the Company (present)</p>	—
7	Masaki Yoshida (August 13, 1959)	<p>April 1983 Entered Fuji Television Network, Inc. (Currently, Fuji Media Holdings, Inc.)</p> <p>June 2006 Senior Director of Music and Variety Center of Programming and Production Department of Fuji Television Network, Inc. Senior Director of Digital Content Development of Digital Content Department of Fuji Television Network, Inc.</p> <p>April 2007 Outside Statutory Auditor of KLab Inc.</p> <p>Jan. 2009 Representative Director of YOSHIDAMASAKI INC. (present) Representative Director and Chairman of Watanabe Entertainment Co., Ltd. (present)</p> <p>March 2009 Outside Director of KLab Inc.</p> <p>May 2009 Outside Director of Giga Media Inc.</p> <p>June 2010 Director of the Company (present)</p> <p>Nov. 2012 Outside Director of KLab Inc. (present)</p>	10,000 shares

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	Number of Company's Shares Owned
8	Kiyoshi Nagano (November 29, 1940)	<p>April 1963 Entered The Nikko Securities Co., Ltd. (Currently, SMBC Nikko Securities Inc.)</p> <p>June. 1994 Executive Director of The Nikko Securities Co., Ltd.</p> <p>Feb. 1996 Executive Managing Director of The Nikko Securities Co., Ltd.</p> <p>June 1997 Representative Director and President of Yamaka Shoken K.K. (Currently, NAITO Securities, Co., Ltd.)</p> <p>June 1999 President of Jasdaq Market Services, Inc. (Currently, Japan Exchange Group, Inc.)</p> <p>June 2004 Chairman & President of Jasdaq Market Inc. (Currently, Japan Exchange Group, Inc.)</p> <p>Dec. 2004 Chairman & President of Jasdaq Securities Exchange, Inc. (Currently, Japan Exchange Group, Inc.)</p> <p>June 2005 Senior Corporate Advisor of Jasdaq Securities Exchange, Inc.</p> <p>June 2007 Outside Audit & Supervisory Board Member of Shin-Etsu Chemical Co., Ltd. (present)</p> <p>June 2010 Outside Director of the Company (present)</p> <p>June 2012 Outside Auditor of LEC, INC. (present)</p>	—
9	Keiji Watanabe (January 21, 1943)	<p>Oct. 1975 Entered Price Waterhouse (Currently, PricewaterhouseCoopers Aarata)</p> <p>July 1987 Partner of Aoyama Audit Corporation (Currently, PricewaterhouseCoopers Aarata) (concurrent position as Partner of Price Waterhouse (Currently, PricewaterhouseCoopers Aarata))</p> <p>Aug. 1995 Entered Deloitte Touche Tohmatsu (Currently, Deloitte Touche Tohmatsu LLC)</p> <p>April 1996 Partner of Deloitte Touche Tohmatsu (retired in June 2008)</p> <p>June 2000 Outside Director of Ichiyoshi Securities Co., Ltd.</p> <p>July 2003 Deloitte Touche Tohmatsu Global Middle Market Leader (retired in June 2009)</p> <p>June 2008 Independent Outside Director of ASAHI KOGYOSHA CO., LTD. (present)</p> <p>June 2010 Outside Director of the Company (present)</p> <p>March 2011 Outside Director of Funai Zaisan Consultants Co., Ltd. (Currently, Aoyama Zaisan Networks Company, Limited) (present)</p>	—

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	Number of Company's Shares Owned
10	Akihiro Tamaki (October 25, 1966)	<p>Sep. 1994 Entered Price Waterhouse LLP, New York (Currently, PricewaterhouseCoopers LLP)</p> <p>Sep. 1996 Entered Deloitte Touche Tohmatsu (Currently, Deloitte Touche Tohmatsu LLC) (retired in Dec. 1999)</p> <p>March 1998 Registered as a US certified public accountant</p> <p>June 2006 Representative Director of SiFA Co., Ltd. (present)</p> <p>June 2008 External Corporate Auditor of Avex Group Holdings Inc. (present)</p> <p>June 2010 Outside Director of the Company (present)</p> <p>Dec. 2013 External Corporate Auditor of DWANGO Co., Ltd. (present)</p>	—

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	Number of Company's Shares Owned
11	Masanao Marumono (May 13, 1950)	<p>April 1974 Entered Sumitomo Bank (Currently, Sumitomo Mitsui Banking Corporation)</p> <p>Jan. 1990 Deputy Manager of 1st Tokyo Sales Dept. of Sumitomo Bank</p> <p>April 1991 Deputy Manager of 3rd Tokyo Sales Dept. of Sumitomo Bank</p> <p>April 1992 Branch Manager of Shintomicho Branch of Sumitomo Bank</p> <p>Oct. 1994 Branch Manager of Higashi-Shinjuku Branch of Sumitomo Bank</p> <p>Oct. 1996 Branch Manager of Sakaemachi Branch of Sumitomo Bank</p> <p>Oct. 1998 General Manager of Branch Operations Dept. of Head Office of Sumitomo Bank</p> <p>Oct. 1999 General Manager of Planning Dept., Consumer Banking Unit of Head Office of Sumitomo Bank</p> <p>April 2003 General Manager of Human Resources Development Dept. of Head Office of Sumitomo Mitsui Banking Corporation</p> <p>May 2004 Chief of Human Resources Development Dept. of Head Office of Sumitomo Mitsui Banking Corporation</p> <p>June 2005 Senior Managing Director of SMBC Center Service Co., Ltd.</p> <p>June 2007 Representative Director and President of SMBC Green Service Co., Ltd.</p> <p>June 2010 Outside Statutory Auditor of GINSEN CO., LTD (present)</p> <p>May 2011 Managing Director of Japan Association of Employers of Persons with Severe Disabilities</p> <p>May 2012 Vice-President of Japan Association of Employers of Persons with Severe Disabilities (present)</p> <p>June 2012 Counsel for SMBC Green Service Co., Ltd. (present)</p> <p>June 2012 Outside Director of the Company (present)</p>	—

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	Number of Company's Shares Owned
12	Teruhide Sato (Feb. 24, 1975)	<p>Sept. 1997 Entered SOFTBANK CORP. Assigned to CyberCash K.K. (Currently, VeriTrans Inc.)</p> <p>April 1999 Moved to Softbank Finance Corp. (Currently SOFTBANK TELECOM Corp.) from SOFTBANK CORP.</p> <p>March 2000 Retired Softbank Finance Corp. (Currently SOFTBANK TELECOM Corp.) (Terminated the Secondment to CyberCash K.K. (Currently, VeriTrans Inc.))</p> <p>April 2000 Representative Director, President and CEO of netprice, Ltd. (Currently, netprice.com, Ltd.)</p> <p>Feb. 2007 President and Group CEO of netprice.com, Ltd. (present)</p> <p>May 2012 CEO and Managing Director of Netprice Partners Co., Ltd. (Currently, BEENOS Partners, Inc.) (present)</p> <p>Jan. 2013 President of BEENOS Asia Pte. Ltd. (present)</p> <p>June 2013 Outside Director of the Company (present)</p> <p>April 2014 President of BEENOS VN, Inc. (present)</p> <p>May 2014 President of BEENOS Plaza Pte. Ltd. (present)</p>	2,820 shares

2. The candidates for new Directors are as follows:

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	Number of Company's Shares Owned
13	Katsuya Kawashima (March 30, 1963)	<p>April 1985 Entered Nomura Securities Co., Ltd.</p> <p>Aug. 1995 Entered SOFTBANK CORP.</p> <p>June 1998 Director of E*TRADE Japan K.K. (Currently, the Company)</p> <p>March 1999 Director of Softbank Finance Corp. (Currently, SOFTBANK TELECOM Corp.)</p> <p>July 1999 Director of the Company</p> <p>Oct. 1999 Representative Director and President of SOFTBANK FRONTIER SECURITIES CO., LTD.(Currently, SBI SECURITIES Co., Ltd.)</p> <p>Nov. 2000 Representative Director and President of Softbank Finance Corp. (Currently, SOFTBANK TELECOM Corp.)</p> <p>March 2001 Representative Director and President of Morningstar Japan K.K.</p> <p>Nov. 2001 Representative Director and COO of Softbank Finance Corp. (Currently, SOFTBANK TELECOM Corp.)</p> <p>Dec. 2002 Director of the Company</p> <p>July 2004 Director of Softbank Finance Corp. (Currently, SOFTBANK TELECOM Corp.)</p> <p>July 2004 Senior Managing Director of E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p>Dec. 2005 Director, Senior Executive Vice President & COO of E*TRADE SECURITIES Co., Ltd.</p> <p>March 2006 Director of E*TRADE SECURITIES Co., Ltd.</p> <p>April 2006 Deputy President of Sumishin SBI Net Bank Research Co., Ltd. (Currently, SBI Sumishin Net Bank, Ltd.)</p> <p>June 2006 Director of the Company</p> <p>Sep. 2007 Deputy President and COO of SBI Sumishin Net Bank, Ltd.</p> <p>June 2010 Representative Director of SBI Sumishin Net Bank, Ltd.</p> <p>Aug. 2011 President of SBI Sumishin Net Bank, Ltd.</p> <p>April 2014 Director of SBI Sumishin Net Bank, Ltd. (present)</p> <p>April 2014 Advisor of the Company (present)</p> <p>April 2014 Representative Director and President of SBI MONEY PLAZA Co., Ltd. (present)</p>	437,870 shares

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	Number of Company's Shares Owned
14	Satofumi Kawata (Feb. 2, 1967)	<p>April 1989 Entered COSMO OIL CO., LTD.</p> <p>Jan. 1993 Participated as a Japan Overseas Cooperation Volunteer of Japan International Cooperation Agency (JICA)</p> <p>April 1993 Dispatched to Solomon Islands as a Japan Overseas Cooperation Volunteer</p> <p>Oct. 1995 Manager of Abu Dhabi office of COSMO OIL CO., LTD.</p> <p>July 2006 General Manager of Strategic Planning Division, International Business Incubation Dept. of COSMO OIL CO., LTD.</p> <p>July 2008 Assigned to SBI ALApromo Co., Ltd. (Currently SBI Pharmaceuticals Co., Ltd.)</p> <p>July 2008 Representative Director, Executive Officer and COO of SBI ALApromo Co., Ltd.(Currently, SBI Pharmaceuticals Co., Ltd.) (present)</p> <p>Nov. 2009 ALApharma GmbH Managing Director (present)</p> <p>April 2012 Secretary General of Japan Bahrain Economic Cooperation Association (present)</p> <p>Jan. 2014 Director of DAWANI SBI TRADING COMPANY W.L.L (present)</p>	—

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	Number of Company's Shares Owned
15	Kazuhiro Nakatsuka (April 4, 1965)	<p>April 1990 Secretary to a Diet member</p> <p>Jan. 1996 Policy planning staff of a political party(staff of the New Frontier Party and the Liberal Party)</p> <p>June 2000 Elected as a member of the House of Representatives for the first time (at the 42nd general election)</p> <p>Jan. 2002 Director of the Finance Committee of the House of Representatives</p> <p>Nov. 2003 Elected as a member of the House of Representatives (at the 43rd general election)</p> <p>July 2009 Elected as a member of the House of Representatives (at the 45th general election)</p> <p>Nov. 2009 Director of the Finance Committee of the House of Representatives</p> <p>Feb. 2010 Lead director of the Finance Committee of the House of Representatives</p> <p>Oct. 2010 Director of the Committee on Audit and Oversight of Administration of the House of Representatives</p> <p>Sep. 2011 Senior Vice-Minister of the Cabinet Office (in charge of finance, nuclear energy policy, matters for nuclear power plant, government revitalization, gender equality, policies on cohesive society and reform of the postal system) (the Noda cabinet)</p> <p>Feb. 2012 Senior Vice-Minister of the Cabinet Office (in charge of finance, government revitalization, administrative reform, integrated reform of the social security and tax systems, reform of the civil servant system and reform of the postal system) and Senior Vice-Minister for reconstruction (the Noda reshuffled cabinet)</p> <p>Oct. 2012 Minister of State for Financial Services, the New Public Commons, Measures for Declining Birthrate, and Gender Equality (the Noda third reshuffled cabinet)</p>	—

(Note)

1. None of the candidates have any special interest in the Company.
2. Mr. Kiyoshi Nagano, Mr. Keiji Watanabe, Mr. Akihiro Tamaki, Mr. Masanao Marumono, Mr. Teruhide Sato and Mr. Kazuhiro Nakatsuka are candidates for Outside Directors.
3. The Company selected Mr. Kiyoshi Nagano and Mr. Masanao Marumono as candidates for Outside Directors in order to utilize their ample experience and knowledge developed through their past careers in the Company's management. If Mr. Nagano and Mr. Marumono are elected in accordance with the original proposal, then for the reasons set out below the Company will continue to appoint

these two persons as Independent Directors under the provisions stipulated by Tokyo Stock Exchange.

- (i) The Company has judged that Mr. Kiyoshi Nagano is qualified as an Independent Director and that a conflict of interest is unlikely to arise between him and the general shareholders because Mr. Nagano has not worked for either a major shareholder or a major customer of the Company before. Mr. Nagano is from Jasdq Market Inc. (currently Japan Exchange Group, Inc., which is a customer of the Company), and although the Company has carried out some money transactions with Japan Exchange Group, Inc. for annual listing fees associated with the listing of the Company on Tokyo Stock Exchange, the transaction amount is insignificant and does not affect the independence of Mr. Nagano.
 - (ii) Although Mr. Masanao Marumono has worked as a person who executes the business of the Company's financing bank, namely Sumitomo Mitsui Banking Corporation and its forerunner, Sumitomo Bank, it has been nine (9) years since his retirement in 2005, and since that retirement he has not been in the position of being a person who executes the business of Sumitomo Mitsui Banking Corporation or any similar position. Although Mr. Marumono has been involved in company management at SMBC Center Service Co., Ltd. and SMBC Green Service Co., Ltd., which are group companies of Sumitomo Mitsui Banking Corporation, after his retirement from Sumitomo Mitsui Banking Corporation, no transactions have been carried out between the Company and these companies. The Company is conducting transactions with several financial institutions other than Sumitomo Mitsui Banking Corporation and the proportion of the amount borrowed from Sumitomo Mitsui Banking Corporation is not extraordinarily high compared with the proportion of the amount borrowed from other financial institutions. Therefore, the Company has judged that Mr. Marumono is qualified as an Independent Director because the transactional relationship between the Company and Sumitomo Mitsui Banking Corporation does not affect the decision-making of Mr. Marumono and a conflict of interest is unlikely to arise between him and the general shareholders.
4. The Company selected Mr. Keiji Watanabe and Mr. Akihiro Tamaki as candidates for Outside Director because of their experience and specialized knowledge as accountants, which can be applied to appropriately supervise the management of the Company from the objective perspective of an accountant. Although Mr. Watanabe has not been directly involved in company management in a way other than being Outside Director or Outside Statutory Auditor, the Company has judged that he can properly perform his duties as Outside Director in accordance with the reasons above.
5. The Company selected Mr. Teruhide Sato as a candidate for Outside Director in order to utilize his ample experience and knowledge developed through his past careers in the Company's management.
6. The Company selected Mr. Kazuhiro Nakatsuka as a candidate for Outside Director in order to utilize his ample experience and broad knowledge in the Company's management with respect to financial insights through his involvement in monetary policy in Japan as Minister of State for Financial Services. Although Mr. Kazuhiro Nakatsuka has not been directly involved in company management, the Company has judged that he can properly perform his duties as Outside Director in accordance with the reasons above.
7. Mr. Kiyoshi Nagano, Mr. Keiji Watanabe, and Mr. Akihiro Tamaki are currently Outside Directors of the Company, and they will have served for four (4) years as Outside Director as of the end of this Ordinary General Meeting of Shareholders. Mr. Masanao Marumono is currently Outside Director of the Company, and he will have served for two (2) years as Outside Director as of the end of this Ordinary General Meeting of Shareholders. Mr. Teruhide Sato is currently Outside Director of the Company, and he will have served for one (1) year as Outside Director as of the end of this Ordinary General Meeting of Shareholders.
8. The Company maintains individual agreements with each of Mr. Kiyoshi Nagano, Mr. Keiji Watanabe, Mr. Akihiro Tamaki, Mr. Masanao Marumono and Mr. Teruhide Sato to limit each of their liability for compensation under Article 423, Paragraph 1 of the Companies Act. The limit of that liability is the higher amount of either 1,000,000 yen or the minimum liability amount under laws and regulations in accordance with Article 427, Paragraph 1 of the Companies Act and the provision of Article 25, Paragraph 2 of the Company's Articles of Incorporation. The Company will continue

those individual agreements with each of Mr. Nagano, Mr. Watanabe, Mr. Tamaki, Mr. Marumono and Mr. Sato if their respective reelections are approved.

9. If the election of Mr. Kazuhiro Nakatsuka is approved, the Company will enter into an agreement with him similar to the contracts for limitation of liability described in 8.above.

Second Item of Business: Election of Four (4) Statutory Auditors

The term of office of all four (4) current Statutory Auditors expires as of the end of this Ordinary General Meeting of Shareholders, so the Company proposes that four (4) Statutory Auditors be elected, including two (2) candidates for new Statutory Auditors.

The term of office of Statutory Auditors to be elected at this Ordinary General Meeting of Shareholders will expire as of the end of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within four (4) years after the election of those Statutory Auditors. The Board of Statutory Auditors agrees to this Second Item of Business.

1. The candidates for Statutory Auditors to be reelected upon expiry of the term of office are as follows:

Number	Name (Date of Birth)	Career Summary, Position and Significant Concurrent Offices Held	Number of Company's Shares Owned
1	Atsushi Fujii (Dec. 18, 1955)	<p>April 1980 Entered Mitsubishi Chemical Industries Ltd. (Currently, Mitsubishi Chemical Corporation)</p> <p>May 1996 Entered SOFTBANK CORP.</p> <p>July 1998 General Manager of Accounting Department of SOFTBANK CORP.</p> <p>Aug. 2000 Statutory Auditor of the Company</p> <p>April 2001 Director and Head of Accounting Department of Softbank Finance Corp. (Currently, SOFTBANK TELECOM Corp.)</p> <p>Sep. 2004 Director and Executive Officer of Megabrain, Inc. (Currently, the Company)</p> <p>Sep. 2005 Standing Statutory Auditor of Megabrain, Inc.</p> <p>March 2006 Outside Statutory Auditor of Morningstar Japan K.K.</p> <p>June 2006 Outside Statutory Auditor of E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.) (present)</p> <p>June 2006 Statutory Auditor of the Company</p> <p>March 2008 Statutory Auditor of SBI Investment Co., Ltd. (present)</p> <p>July 2010 Registered as a certified public accountant</p> <p>June 2011 Standing Statutory Auditor of the Company (present)</p> <p>June 2012 Statutory Auditor of SBI FINANCIAL SERVICES Co., Ltd. (present)</p> <p>June 2012 Statutory Auditor of SBI Capital Management Co., Ltd. (present)</p>	48,980 shares

Number	Name (Date of Birth)	Career Summary, Position and Significant Concurrent Offices Held	Number of Company's Shares Owned
2	Minoru Tada (Feb. 18, 1946)	<p>April 1968 Entered Nomura Securities Co., Ltd.</p> <p>June 1995 Director of WORLD Securities Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p>June 1997 Managing Director of WORLD Securities Co., Ltd.</p> <p>April 1999 Managing Executive Officer of WORLD NICHIEI Securities Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p>June 2004 Standing Statutory Auditor of WORLD NICHIEI FRONTIER Securities Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p>Feb. 2005 Outside Statutory Auditor of Ace Securities Co., Ltd.</p> <p>June 2006 Outside Statutory Auditor of E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.)</p> <p>Oct. 2007 Outside Standing Statutory Auditor of SBI E*TRADE SECURITIES Co., Ltd. (Currently, SBI SECURITIES Co., Ltd.) (present)</p> <p>June 2010 Statutory Auditor of the Company (present)</p> <p>June 2012 Statutory Auditor of SBI FINANCIAL SERVICES Co., Ltd. (present)</p>	26,510 shares

2. The candidates for new Statutory Auditors are as follows:

Number	Name (Date of Birth)	Career Summary, Position and Significant Concurrent Offices Held	Number of Company's Shares Owned
3	Yasuo Sekiguchi (Nov. 3, 1964)	<p>Oct. 1990 Entered Ota and Showa Audit Corporation (currently Ernst & Young ShinNihon LLC)</p> <p>March 1994 Registered as a Certified Public Accountant</p> <p>Dec. 1998 Retired from Ota and Showa Audit Corporation</p> <p>Jan. 1999 Representative of Partners Inc.</p> <p>June 2000 Managing Director of Partners Consulting Inc.</p> <p>April 2008 Managing Director of Global Partners Consulting, Inc. (present)</p>	—

Number	Name (Date of Birth)	Career Summary, Position and Significant Concurrent Offices Held	Number of Company's Shares Owned
4	Kentaro Uryu (Jan. 2, 1965)	<p>April 1995 Registered as a lawyer (Tokyo Bar Association)</p> <p>April 1995 Entered Tsunematsu Yanase & Sekine (currently Nagashima Ohno & Tsunematsu)</p> <p>Jan. 1996 Entered Matsuo & Kosugi</p> <p>Jan. 1999 Entered Salomon Smith Barney Limited (currently Citigroup Global Markets Japan Inc.), Vice President</p> <p>April 2000 Long-term expert of Japan International Cooperation Agency (JICA) (dispatched to Ministry of Justice of Vietnam and other institutions from Japan Federation of Bar Associations)</p> <p>Aug. 2002 Managing partner of CAST (currently URYU & ITOGA) (present)</p> <p>Aug. 2008 Representative Director of SUI Advisory Service Co., Ltd. (currently U&I Advisory Service Co., Ltd.) (present)</p>	—

1. None of the candidates have any special interest in the Company.
2. Mr. Yasuo Sekiguchi and Mr. Kentaro Uryu are candidates for Outside Statutory Auditors.
3. The Company selected Mr. Yasuo Sekiguchi as a candidate for Outside Statutory Auditor because of his ample experience and specialized knowledge as a Certified Public Accountant, which the Company deems can be applied to appropriately supervise the management of the Company from the objective perspective of a Certified Public Accountant.
4. The Company selected Mr. Kentaro Uryu as a candidate for Outside Statutory Auditor because of his ample experience and specialized knowledge as a lawyer, which the Company deems can be applied to appropriately supervise the management of the Company mainly from the perspective of compliance.
5. If the election of Mr. Yasuo Sekiguchi and Mr. Kentaro Uryu is approved, the Company will enter into individual agreements with each of Mr. Yasuo Sekiguchi and Mr. Kentaro Uryu to limit each of their liability for compensation under Article 423, Paragraph 1 of the Companies Act. The limit of that liability is the higher amount of either 1,000,000 yen or the minimum liability amount under laws and regulations in accordance with Article 427, Paragraph 1 of the Companies Act and the provision of Article 32, Paragraph 2 of the Company's Articles of Incorporation.

Third Item of Business: Election of One (1) Substitute Statutory Auditor

In order to maintain the continuity of auditing even when the number of Statutory Auditors required under laws and regulations is lacking, the Company proposes that Mr. Hideaki Asayama be elected as a substitute Outside Statutory Auditor.

The effect of election of Mr. Hideaki Asayama as a substitute Outside Statutory Auditor may be revoked, only before his assumption of office, by a resolution of the Board of Directors with the consent of the Board of Statutory Auditors.

The Board of Statutory Auditors agrees to this Third Item of Business.

Name (Date of Birth)	Career Summary, Position and Significant Concurrent Offices Held	Number of Company's Shares Owned
Hideaki Asayama (December 5, 1949)	April 1974 Entered TOKYO SHIBAURA ELECTRIC CO., LTD. (Currently, TOSHIBA CORPORATION)	—
	Oct. 1986 Assigned to TOSHIBA MEDICAL DO BRASIL LTDA., Director of Administration & Finance	
	July 1992 Manager of Finance Div. of TOSHIBA CORPORATION	
	June 1995 Assigned to Toshiba Pension Fund, Investment Manager	
	June 1997 Assigned to TOSHIBA INTERNATIONAL CORPORATION, Vice President and Treasurer	
	Dec. 1999 Chief Specialist, Finance & Accounting Div. of Toshiba Information & Social Infrastructure Systems Company, TOSHIBA CORPORATION	
	Oct. 2000 Chief Specialist, Corporate Audit Div. of Toshiba Information & Social Infrastructure Systems Company, TOSHIBA CORPORATION	
	May 2004 Retired from TOSHIBA CORPORATION	
	May 2004 Entered Toshiba Matsushita Display Technology Co., Ltd. (Currently, Japan Display Inc.), General Manager of Corporate Audit Dept.	
	June 2006 Standing Statutory Auditor of Toshiba Matsushita Display Technology Co., Ltd.	
	June 2009 Retired from position of Standing Statutory Auditor of Toshiba Matsushita Display Technology Co., Ltd.	
	June 2009 Entered TOSHIBA DESIGN & MANUFACTURING SERVICE CORPORATION, Group Manager of Internal Audit Group	
June 2010 Statutory Auditor of SBI Liquidity Market Co., Ltd. (present)		

(Note)

1. The candidate has no special interest in the Company.
2. Mr. Hideaki Asayama is a candidate for substitute Outside Statutory Auditor.
3. The Company selected Mr. Asayama as a candidate for substitute Outside Statutory Auditor because of his ample experience and broad knowledge developed through years of experience in financial

affairs and accounting, which the Company deems can be applied to adequately perform the role of supervision and other services regarding the management of the Company.

4. If Mr. Hideaki Asayama assumes the office of a Statutory Auditor, the Company will enter into the individual agreement with Mr. Hideaki Asayama to limit each of his liability for compensation under Article 423, Paragraph 1 of the Companies Act. The limit of that liability is the higher amount of either 1,000,000 yen or the minimum liability amount under laws and regulations in accordance with Article 427, Paragraph 1 of the Companies Act and the provision of Article 32, Paragraph 2 of the Company's Articles of Incorporation.

— End —

How to Exercise Voting Rights via the Internet

1. Exercising voting rights via the Internet

- (1) You may exercise voting rights at “the website for exercising voting rights” designated by the Company (the URL below) instead of exercising your voting rights in writing. If you wish to exercise your voting rights at this website, please log in to the website with the code and the password for exercising voting rights that are set out on the right-hand side of the Voting Rights Exercise Form enclosed herewith and enter the necessary matters by following the instructions that appear onscreen. In order to ensure security, you will need to change the password when you log in to the website for the first time.

<http://www.it-soukai.com/>

*Because the address for the point of access has changed from that of last year, please be sure to log in to the website at the address above.

- (2) The deadline for exercising voting rights is 5:45 p.m. on Thursday, June 26, 2014, and you will need to have finished the voting process by that time. Please exercise your voting rights as soon as possible.
- (3) If you have exercised your voting rights both in writing and via the Internet, your vote via the Internet will be the effective vote. If you have exercised your voting rights multiple times, your last vote will be the effective vote.
- (4) The password for exercising voting rights (including passwords changed by shareholders) are only effective for this Ordinary General Meeting of Shareholders. A new password for exercising voting rights will be issued to each shareholder for the next general meeting of shareholders.
- (5) You will bear all costs for your Internet connection.

(Note)

- The password for exercising voting rights is a means for confirming the identity of individual voters. Please note that the Company will not contact you to request information about your password.
- If you enter the wrong password a certain number of times, the website will become locked and you will be unable to use it. If the website is locked, please follow the instructions that appear onscreen.
- Although the compatibility of the website for exercising voting rights has been verified

with devices commonly used for accessing the Internet, in some cases your device might not be able to access the website.

2. Inquiries

If you have any concerns, please contact the Stock Transfer Agent Department, Mizuho Trust & Banking Co., Ltd. (below), which is the shareholder registry administrator.

(1) Contact details for inquiries about operating instructions or the like regarding the website for exercising voting rights

Toll free number: 0120-768-524 (Weekdays from 9:00 a.m. to 9:00 p.m.)

(2) Contact details for any inquiries for handling of shares other than that set out in (1) above

Toll free number: 0120-288-324 (Weekdays from 9:00 a.m. to 5:00 p.m.)

(For your reference)

If you are an institutional investor, you may use the Electronic Voting Platform operated by ICJ, Inc.

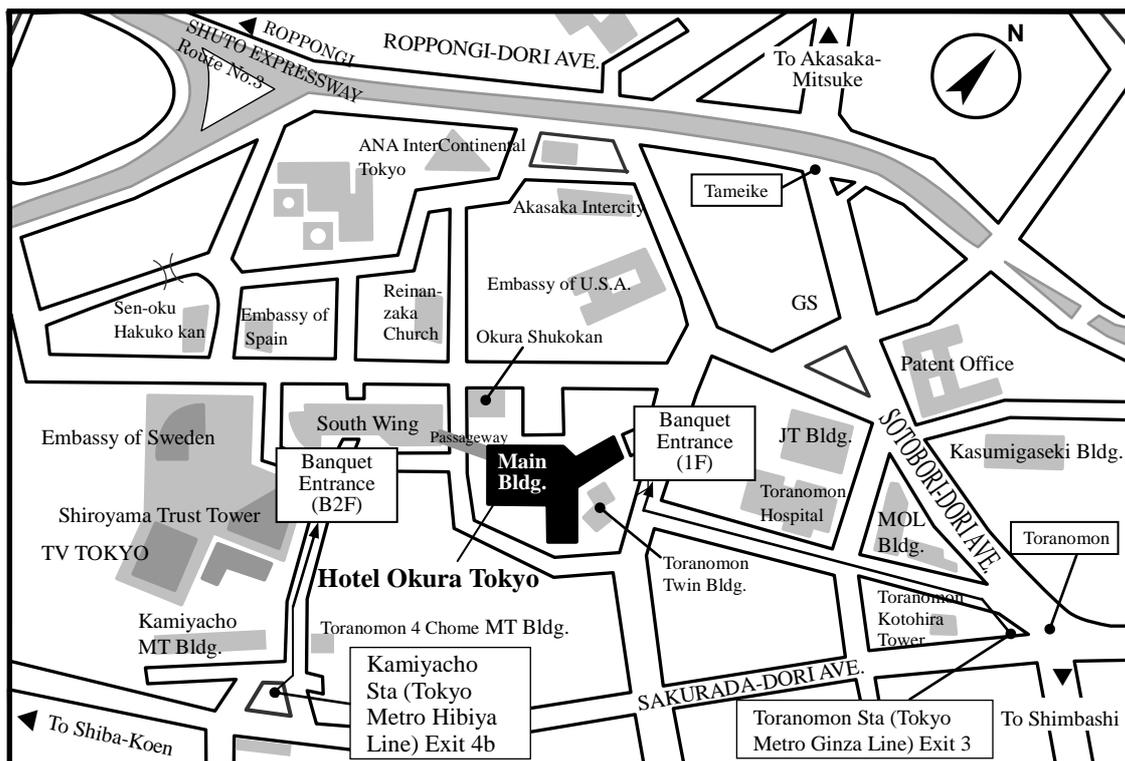
Access to the Meeting Room of the 16th Ordinary General Meeting of Shareholders

Location: Hotel Okura Tokyo

Heian Room, 1st Floor, Main Building

2-10-4 Toranomon, Minato-ku, Tokyo

Telephone: +81-3-3582-0111



Access:

Tokyo Metro/Ginza Line: About eight minutes walk from Toranomon Station, Exit 3

Hibiya Line: About nine minutes walk from Kamiyacho Station, Exit 4b

(please enter through the South Wing and use the passageway)

We recommend that you use public transportation when travelling to the venue.

End of the translation

Pursuant to the Listing Rules of The Stock Exchange of Hong Kong Limited, any candidates for election or re-election as Directors should provide the biographical details as required under the Listing Rule 13.51(2) to enable the shareholders to make an informed decision on their election. In addition to the details provided in the Convocation Notice, the following additional information is provided pursuant to the Listing Rules in respect of the above candidates for Directors:-

- (1) The above candidates for Directors do not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.
- (2) The above candidates for Directors will hold office until the 17th Ordinary General Meeting of Shareholders. The emoluments of the above candidates for Directors will be determined after the 16th Ordinary General Meeting of Shareholders.
- (3) There is no other information regarding the above candidates for Directors to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, nor are there other matters that need to be brought to the attention of the Company's shareholders.
- (4) The length of service with the Company for the above candidates for Directors is one year.
- (5) Executive Directors, Non-Executive Directors and Independent Non-Executive Directors are to be appointed at a meeting of the Board of the Company after they are being re-elected or elected respectively at the 16th Ordinary General Meeting of Shareholders. The proposed Executive Directors for re-elections are Mr. Yoshitaka Kitao, Mr. Takashi Nakagawa, Mr. Tomoya Asakura, Mr. Shumpei Morita and Mr. Peilung Li. The proposed Executive Director for new election is Mr. Katsuya Kawashima. The proposed Non-Executive Directors for re-election are Mr. Masato Takamura and Mr. Teruhide Sato. The proposed Non-Executive Directors for new election are Mr. Satofumi Kawata and Mr. Kazuhiro Nakatsuka. The proposed Independent Non-Executive Directors for re-elections are Mr. Masaki Yoshida, Mr. Kiyoshi Nagano, Mr. Keiji Watanabe, Mr. Akihiro Tamaki and Mr. Masanao Marumono.
- (6) The directors' interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance is as the tables below;

No.	Name of Director	Name of corporation	Nature of Interest	Class of Shares / underlying Shares	Number of Shares/ Underlying shares(As of 31 March 2014)
1	Yoshitaka Kitao	SBI Holdings, Inc.	Registered owner	Ordinary Shares	3,807,960
		Morningstar Japan K.K.	Registered owner	Ordinary Shares	33,200
		SBI Mortgage Co., Ltd.	Registered owner	Ordinary Shares	122,950
		SBI Pharmaceuticals Co., Ltd.	Registered owner	Ordinary Shares	972
		SBI Life Living Co., Ltd.	Registered owner	(Underlying Shares) Series 3	84,000
		SBI Wellness Bank Co., Ltd.	Registered owner	Ordinary Shares	600
2	Takashi Nakagawa	SBI Holdings, Inc.	Registered owner	Ordinary Shares	42,000
3	Tomoya Asakura	Morningstar Japan K.K.	Registered owner	Ordinary Shares	128,400

No.	Name of Director	Name of corporation	Nature of Interest	Class of Shares / underlying Shares	Number of Shares/ Underlying shares(As of 31 March 2014)
4	Shumpei Morita	SBI Holdings, Inc.	Registered owner	Ordinary Shares	20,000
		SBI Business Solutions Co., Ltd.	Registered owner	Ordinary Shares	636
5	Peilung Li	-	-	-	0
6	Masato Takamura	-	-	-	0
7	Masaki Yoshida	SBI Holdings, Inc.	Registered owner	Ordinary Shares	10,000
		SBI BB Mobile Investment LPS	Interest of controlled corporation (WATANABE ENTERTAINMENT CO, LTD.) And Miki Yoshida (his spouse's name)	Shares(Units)	2
8	Kiyoshi Nagano	-	-	-	0
9	Keiji Watanabe	-	-	-	0
10	Akihiro Tamaki	-	-	-	0
11	Masanao Marumono	-	-	-	0

No.	Name of Director	Name of corporation	Nature of Interest	Class of Shares / underlying Shares	Number of Shares/ Underlying shares(As of 31 March 2014)
12	Teruhide Sato	SBI Holdings, Inc.	Registered owner	Ordinary Shares	2,820
13	Katsuya Kawashima	SBI Holdings, Inc.	Registered owner	Ordinary Shares	437,870
		Golf Stadium Inc.	Registered owner	Ordinary Shares	276
14	Satofumi Kawata	-	-	-	0
15	Kazuhiro Nakatsuka	-	-	-	0