

Securities Code: 8473

June 5, 2015

Yoshitaka Kitao  
Representative Director, President & CEO

SBI Holdings, Inc.  
1-6-1, Roppongi, Minato-ku, Tokyo, Japan

**CONVOCATION NOTICE  
FOR THE 17TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

Notice is hereby given that the 17th 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 25, 2015.**

**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 page 80 and exercise your voting rights by the above-mentioned deadline.

Particulars

1. **Date and time:** Friday, June 26, 2015, at 10 a.m., Japan time
2. **Location:** Heian Room, 1st Floor, Main Building, Hotel Okura Tokyo, 2-10-4 Toranomon, 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 17th fiscal year (from April 1, 2014 to March 31, 2015)
2. Report on the Non-Consolidated Financial Statements for the 17th fiscal year

#### Matters for Resolution

<b>First Item of Business</b>	Election of Seventeen (17) Directors
<b>Second Item of Business</b>	Election of One (1) Statutory Auditor
<b>Third Item of Business</b>	Election of One (1) Substitute Statutory Auditor

— End of convocation notice —

- \* 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.

**Business Report**  
(April 1, 2014 to March 31, 2015)

**I. GROUP**

**1. BUSINESS IN THE CONSOLIDATED FISCAL YEAR ENDED MARCH 31, 2015**

**(1) Progress of Business and Results**

During the consolidated fiscal year ended March 31, 2015, the Japanese economy continued to move on a gradual path to recovery in connection with the recovery of corporate performance and improvement in employment conditions as a result of additional monetary easing by the Bank of Japan, the continued weakening of the yen in the foreign exchange market and other factors, despite downturn in consumer spending in response to last-minute demand following the consumption tax increase in April 2014.

Stock markets in Japan and overseas significantly impact businesses related to investment and securities. The domestic markets were initially soft, reflecting concern for slowdown in the Japanese economic recovery due to the consumption tax increase. However, as of March 31, 2015, the Nikkei Stock Average was up by 29.5% over the mark on March 31, 2014, at ¥19,206, as additional monetary easing by the Bank of Japan was announced in October 2014 and domestic corporate performance made robust progress. The number of new listings also showed strong progress with 86 new listings (excluding the number of listings on the TOKYO PRO Market), 33 more than those in the last year. Overseas, stock market conditions in major countries were also favorable despite the effects of the movement towards normalization of monetary policy in the U.S. as well as uncertainties over the future outlook of Europe and some emerging economies, and the number of new listings also increased significantly.

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 is anticipated to demonstrate further growth 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, 2015 resulted in operating revenue of ¥245,045 million (a 5.3% year-on-year increase), operating income of ¥68,209

million (a 61.5% year-on-year increase), profit before income tax expense of ¥63,067 million (a 62.1% year-on-year increase), and profit attributable to owners of the Company of ¥45,721 million (a 113.3% 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	162,645	65,843	2,182	230,670	15,710	(1,335)	245,045
Profit before income tax expense (loss)	67,309	8,132	(7,310)	68,131	2,779	(7,843)	63,067

### (i) Financial Services Business

Financial Services Business consists of a wide range of financial related business and the provision of information regarding financial products, centering on securities brokerage business, banking services business, and property and casualty insurance 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. and Morningstar Japan K. K.

The result of operation of Financial Services Business for the consolidated fiscal year ended March 31, 2015 resulted in operating revenue of ¥162,645 million (a 10.0% year-on-year increase) and profit before income tax expense of ¥67,309 million (a 80.5% 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 overseas Financial Services Business through cooperation with leading local partners, 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, 2015 resulted in operating revenue of ¥65,843 million (a 9.5% year-on-year decrease) and profit before income tax expense of ¥8,132 million (a 9.5% year-on-year decrease). Operating revenue in this reporting segment represents operating revenues mainly arising from overseas Financial Services Business and 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, health foods, and cosmetics with 5-aminolevulinic acid (ALA) (\*), a kind of amino acid which exists in vivo, and research and development of cancer- and immune-related antibody preparation and nucleic acid medicine, 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, 2015 resulted in operating revenue of ¥2,182 million (a 0.6% year-on-year decrease), and loss before income tax expense amounted to ¥7,310 million (loss before income tax expense was ¥2,432 million for the fiscal year ended March 31, 2014).

(\*) 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, 2015 was ¥7,938 million.

This amount mainly resulted from a capital expenditure made in the amount of ¥5,934 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, 2015, the Company raised ¥30,000 million in December 2014 by issuing unsecured bonds, in addition to newly issuing ¥20,000 million in unsecured short-term bonds under the MTN Program in February 2015. The Company redeemed ¥30,000 million in unsecured bonds during the consolidated fiscal year ended March 31, 2015, and the amount outstanding as of March 31, 2015 was ¥60,000 million. The Company also redeemed ¥40,000 million in unsecured short-term bonds under the MTN Program during the consolidated fiscal year ended March 31, 2015, and the amount outstanding as of March 31, 2015 was ¥20,000 million. In December 2014, the Company's subsidiary SBI SECURITIES Co., Ltd. borrowed a total amount of ¥20,000 million through a syndicated loan in which Mizuho Bank, Ltd. acts as arranger.

## 2. TRENDS IN GROUP PROPERTY AND GAINS (LOSSES)

Classification	14th consolidated fiscal year (pro forma amount)	15th consolidated fiscal year	16th consolidated fiscal year	17th consolidated fiscal year (consolidated fiscal year ended March 31, 2015)
	April 1, 2011 to March 31, 2012	April 1, 2012 to March 31, 2013	April 1, 2013 to March 31, 2014	April 1, 2014 to March 31, 2015
Operating revenue <i>(millions of yen)</i>	174,879	154,285	232,822	245,045
Operating income <i>(millions of yen)</i>	14,990	17,386	42,224	68,209
Profit attributable to owners of the Company <i>(millions of yen)</i>	(312)	3,817	21,439	45,721
Basic earnings per share attributable to owners of the Company <i>(yen)</i>	(1.42)	17.58	99.04	211.18
Total assets <i>(millions of yen)</i>	1,654,759	2,494,387	2,875,304	3,400,763
Total equity <i>(millions of yen)</i>	351,290	360,535	388,463	430,615
Equity per share attributable to owners of the Company <i>(yen)</i>	1,344.47	1,401.39	1,504.19	1,771.19

(Note)

1. The figures in brackets indicate losses.
2. 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 years that comply with IFRS as comparative information for the 15th consolidated fiscal year.
3. “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 years 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.
4. The figures for the 14th and the 15th consolidated fiscal years are revised due to revision of the financial results.



### 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.	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.	87.3
	Morningstar Japan K.K.	49.7
	SBI Card Co., Ltd.	100.0
	CEM Corporation	79.7 (57.1)
	PCA Life Insurance Co., Ltd. (Note 2)	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
	SBI KOREA HOLDINGS CO., LTD.	100.0 (100.0)

Business Segment	Name	Ownership Ratio of Voting Rights or Investment Ratio (%) (Note 1)
Asset Management Business	SBI Savings Bank	98.1 (98.1)
	SBI Asset Management Co., Ltd.	100.0 (100.0)
Biotechnology-related Business	SBI Pharmaceuticals Co., Ltd.	76.4 (76.4)
	SBI ALApromo Co., Ltd.	100.0 (100.0)
	SBI Biotech Co., Ltd.	78.2 (71.4)

(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. The Group acquired all shares in PCA Life Insurance Co., Ltd. and made it into a subsidiary of the Company in February 2015. PCA Life Insurance Co., Ltd. changed its trade name to SBI Life Insurance Co., Ltd. in May 2015.
3. SBI Mortgage Co., Ltd. ceased to be a subsidiary of the Company as the Company assigned all of its shares in SBI Mortgage Co., Ltd. in August 2014. Following from these circumstances, SBI Lease Co., Ltd., a wholly-owned subsidiary of SBI Mortgage Co., Ltd., also ceased to be a subsidiary of the Company.
4. SBI Life Living Co., Ltd. ceased to be a subsidiary of the Company as the Company assigned all of its shares in SBI Life Living Co., Ltd. in February 2015.
5. SBI Net Systems Co., Ltd. is excluded from important subsidiaries as its liquidation was concluded in September 2014.

#### 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, SBI SECURITIES Co., Ltd. will continue to expand its investment trust and overseas product lineups and strengthen FX transactions in order to achieve diversification of revenue sources and further enhance its wholesale business, such as IPO and PO businesses.

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. In addition to SBI Sumishin Net Bank, Ltd. and SBI Insurance Co., Ltd., which were established during 2007 to 2008 and have been generating consistent growth, we also acquired shares in SBI Life Insurance Co., Ltd. (former PCA Life Insurance Co., Ltd.) and made it into our subsidiary in February 2015. It is our key objective to transition into an earning structure that does not depend solely on stock markets, by thoroughly pursuing synergistic effects among Group companies and realizing further growth.

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 and further promoting the establishment of synergies with Group companies.

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 investing in the four key areas of IT, biotechnology, environment and energy, and finance and concentrating our investments in growth areas with the aim of continuously contributing to developing industries while benefiting from high investment performance. 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. 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, SBI Pharmaceuticals Co., Ltd. commercialized health foods and cosmetics that contain 5-aminolevulinic acid (ALA) and has been conducting sales of those products through SBI ALApromo Co., Ltd. in Japan. Research activities have been extended in domestic and foreign universities and research institutes to discover new applications of ALA, and SBI Pharmaceuticals Co., Ltd. also actively carries out research and development of ALA as a pharmaceutical product. The Group commenced the domestic sale of an intraoperative diagnostic drug for malignant glioma in September 2013, 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 April 2012, the Group adopted a new organizational structure in which the Financial Services Business, Asset Management Business, and Biotechnology-related Business are the 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, 2015)

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, 2015)

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, 2015)

<b>Business Segment</b>	<b>Number of Employees</b>
Financial Services Business	2,895
Asset Management Business	2,883
Biotechnology-related Business	168
Others	29
Company-wide (Common)	119
<b>Total</b>	<b>6,094</b>

(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.
3. The number of employees increased by 742 from March 31, 2014 mainly because the companies that were acquired in the Asset Management Business for investment growth and that are recognized as controlled by the Company have been consolidated, and the number of employees of those companies is included.

**8. PRINCIPAL LENDER** (as of March 31, 2015)

*(millions of yen)*

<b>Lender</b>	<b>Loan Balance</b>
Mizuho Bank, Ltd.	50,524
Syndicate loans arranged by Mizuho Bank, Ltd.	45,000

## **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, 2015, the Company determined to pay an ordinary dividend of ¥30 per share for the consolidated fiscal year ended March 31, 2015. In addition, July 8, 2014 marked the Company's 15th anniversary, and the Company decided to pay ¥5 per share as a commemorative dividend to express our gratitude for the support of our shareholders. As a result, the total year-end dividend for the consolidated fiscal year ended March 31, 2015 was ¥35 per share.

## II. COMPANY

### 1. SHARES (as of March 31, 2015)

- (1) Total Number of Shares Authorized for Issue 341,690,000 shares
- (2) Total Number of Outstanding Shares 224,561,761 shares  
(including 7,591,070 shares of treasury stock)
- (3) Number of Shareholders 156,324 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)	9,157,330	4.2
NORTHERN TRUST GLOBAL SERVICES LIMITED RE 15PCT TREATY ACCOUNT (NON LENDING)	8,883,740	4.0
The Master Trust Bank of Japan, Ltd. (Trust account)	6,791,800	3.1
SAJAP	5,476,640	2.5
JP Morgan Chase Bank 385164	4,470,400	2.0
Japan Trustee Services Bank, Ltd. (Trust account 9)	4,082,800	1.8
Yoshitaka Kitao	3,807,960	1.7
NORTHERN TRUST CO. (AVFC) RE 15PCT TREATY ACCOUNT	3,194,771	1.4
STATE STREET BANK WEST CLIENT – TREATY 505234	2,923,192	1.3
JAPAN SECURITIES FINANCE CO., LTD.	2,878,200	1.3

(Note)

1. The percentage of shares held is calculated upon deducting the treasury stock.
2. Apart from the holdings of the major shareholders above, the Company holds 7,591,070 shares as treasury stock. The amount of treasury stock does not include 455,540 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)."

### 2. STOCK ACQUISITION RIGHTS

- (1) Delivery of stock acquisition rights as consideration for the execution of duties and held by the Company officers (as of March 31, 2015)  
Not Applicable

- (2) Delivery of stock acquisition rights to employees as consideration for the execution of duties during the fiscal year ended March 31, 2015

Not Applicable

- (3) Other status details for stock acquisition rights

Outline of SBI Holdings, Inc. Stock Acquisition Rights 2014 issued pursuant to a resolution of the meetings of the Board of Directors held on October 30, 2014 and November 19, 2014

Date of Allotment	November 21, 2014
Number of stock acquisition rights	74,357 stock acquisition rights
Type and number of shares subject to stock acquisition rights	7,435,700 common shares of the Company (100 shares per stock acquisition rights)
Amount payable for stock acquisition rights	¥1,518 per stock acquisition rights
Payment date of stock acquisition rights	November 21, 2014
Value of property to be contributed upon exercise of stock acquisition rights	¥1,247 per share
Exercise period of stock acquisition rights	From July 1, 2015 to June 30, 2018 (or the immediately preceding bank business day if June 30, 2018 is not a bank business day)
Increase in stated capital and capital reserve when issuing shares through exercise of stock acquisition rights	[1] The amount of increase in stated capital when issuing shares through exercise of stock acquisition rights is half of the maximum increase amount of stated capital calculated in accordance with Article 17, Paragraph 1 of the Company Accounting Regulations. Any fraction less than a yen is rounded up to the nearest whole yen. [2] The amount of increase in capital reserve when issuing shares through exercise of stock acquisition rights is the amount obtained by deducting the amount of increase in stated capital in [1] above from the maximum increase amount of stated capital in [1] above.
Terms and conditions for exercise of stock acquisition rights	(Note)
Persons allotted stock acquisition rights	Directors and employees of the Company and its subsidiaries

(Note)

- A person allotted the stock acquisition rights (a “Holder of Stock Acquisition Rights”) may exercise the stock acquisition rights only when the amount of segment profits and losses (profits before taxes) from the Financial Services Business in the note to the consolidated financial statements of the Company included in the securities report for the fiscal year ended March 31, 2015 submitted by the Company pursuant to the Financial Instruments and Exchange Act are ¥50 billion or more.
- (i) In the event that the terms and conditions of exercise in Note 1 above are satisfied and if the closing price of common shares of the Company at the Tokyo Stock Exchange exceeds the price (any fraction less than a yen is rounded off) obtained by multiplying the exercise price (if adjusted pursuant to any provision, an adjusted exercise price; the same applies in Note 2) by 200% even just once on or after the commencement date of the exercise period, no Holder of Stock Acquisition Rights may exercise the stock acquisition rights



on or after the date on which one year has passed after the date on which the closing price exceeds the price above for the first time.

(ii) If the average closing price of common shares of the Company at the Tokyo Stock Exchange becomes less than the price (any fraction less than a yen is rounded off) obtained by multiplying the exercise price by 50% for any five (5) consecutive trading days even just once during the period from the allotment date to the date on which the exercise period of the stock acquisition rights expires, Holders of Stock Acquisition Rights may not exercise the stock acquisition rights even in the event that the terms and conditions of exercise in Note 1 and the terms and conditions in (i) above are satisfied.

3. A Holder of Stock Acquisition Rights is not required to be a Director, Statutory Auditor or employee of the Company or its subsidiary at the time of exercise of the stock acquisition rights; provided, however, that if a Holder of Stock Acquisition Rights is removed from his or her office as a Director or Statutory Auditor of the Company or its subsidiary or becomes subject to disciplinary dismissal from the Company or its subsidiary, such Holder of Stock Acquisition Rights may not exercise the stock acquisition rights on or after the date of removal or dismissal.
4. In the event that the total number of outstanding shares of the Company exceeds the number of authorized shares at that time through exercise of the stock acquisition rights, no Holder of Stock Acquisition Rights may exercise the stock acquisition rights.
5. The stock acquisition rights may not be exercised in fractional portions.
6. In the event that a Holder of Stock Acquisition Rights dies, the heir of such Holder of Stock Acquisition Rights may exercise the stock acquisition rights until the earlier of (i) the date on which one year has passed after the date on which the Holder of Stock Acquisition Rights dies and (ii) the date on which the exercise period expires (or the final date on which the stock acquisition rights are exercisable in the event that the stock acquisition rights may no longer be exercised pursuant to Note 2 above).
7. Notwithstanding Note 6 above, in the event that a Holder of Stock Acquisition Rights dies and if the Company approves exercise of the stock acquisition rights by the heir of that Holder of Stock Acquisition Rights in writing upon taking into consideration various circumstances, the heir may exercise the stock acquisition rights until the date on which the exercise period expires (or the final date on which the stock acquisition rights are exercisable in the event that the stock acquisition rights may no longer be exercised pursuant to Note 2 above).
8. In the event that an inheritance commences with respect to a person who inherits the stock acquisition rights from a person initially allotted the stock acquisition rights, the stock acquisition rights may not be exercised on and after the date on which the inheritance commences.
9. Any other terms and conditions are subject to the "Stock Acquisition Rights Allotment Agreement" entered into between the Company and a Holder of Stock Acquisition Rights.

### 3. COMPANY OFFICERS

#### (1) Directors and Statutory Auditors (as of March 31, 2015)

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 & CEO of SBI Pharmaceuticals Co., Ltd. Director of Morningstar Japan K.K. Director of SBI Japannext Co., Ltd. Director and Chairman of SBI FINANCIAL SERVICES Co., Ltd. Director and Chairman of SBI Capital Management Co., Ltd. Representative Director of SBI Hong Kong Holdings Co., Limited Director of SBI VEN HOLDINGS PTE. LTD.
Representative Director, Senior	Katsuya Kawashima	Representative Director and President of SBI MONEY PLAZA Co., Ltd.

Executive Vice President & Co- COO		Director of SBI SECURITIES Co., Ltd. Director of SBI Sumishin Net Bank, Ltd. Director of SBI Investment Co., Ltd. Representative Director and President of SBI FINANCIAL SERVICES Co., Ltd. Director of SBI Capital Management Co., Ltd.
Representative Director, Senior Executive Vice President & Co- COO	Takashi Nakagawa	Representative Director and President of SBI Investment Co., Ltd. Director of SBI MONEY PLAZA Co., Ltd. Representative Director and President of SBI Capital Management Co., Ltd. Director of SBI FINANCIAL SERVICES Co., Ltd. Director and Chairman 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 of PCA Life Insurance 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 & 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	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.
Director	Masanao Marumono	Vice-President of Japan Association of Employers of Persons with Severe Disabilities Counsel for SMBC Green Service Co., Ltd.

Director	Teruhide Sato	Founder and Adviser of BEENOS Inc. Director of Open Network Lab, Inc.
Director	Kazuhiro Nakatsuka	Representative Director of Nakatsuka Research Institute, Inc.

<b>Position</b>	<b>Name</b>	<b>Responsibilities and Other Significant Concurrent Offices Held</b>
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	Minoru Tada	Outside Standing 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	Yasuo Sekiguchi	Managing Director of Global Partners Consulting, Inc.
Statutory Auditor	Hideaki Asayama	Statutory Auditor of SBI Liquidity Market Co., Ltd.

(Note)

1. Directors Kiyoshi Nagano, Keiji Watanabe, Akihiro Tamaki, Masanao Marumono, Teruhide Sato, and Kazuhiro Nakatsuka are Outside Directors.
2. Statutory Auditors Yasuo Sekiguchi and Hideaki Asayama are Outside Statutory Auditors.
3. Standing Statutory Auditor Atsushi Fujii is qualified as a Certified Public Accountant, Statutory Auditor Yasuo Sekiguchi is qualified as a Certified Public Accountant and Certified Tax Accountant, and Statutory Auditor Hideaki Asayama has many years of experience in finance, accounting and management audit businesses. All of these Statutory Auditors have a considerable degree of knowledge regarding finance and accounting.
4. The position of the following director has changed as follows in the fiscal year ended March 31, 2015.

Name	New position	Former position	Date of change
Takashi Nakagawa	Representative Director & Senior Managing Executive Officer	Director & Senior Managing Executive Officer	June 27, 2014
	Representative Director, Senior Executive Vice President & Co- COO	Representative Director & Senior Managing Executive Officer	March 1, 2015

5. A director who retired from his office upon expiry of his term of office at the 16th Ordinary General Meeting of Shareholders held on June 27, 2014 is Hiroshi Tasaka. Directors who are newly elected and assumed office are Katsuya Kawashima, Satofumi Kawata and Kazuhiro Nakatsuka.
6. Statutory Auditors who retired from their office upon expiry of their terms of office at the 16th Ordinary General Meeting of Shareholders held on June 27, 2014 are Ryujiro Shimamoto and Hisashi Hayakawa. Statutory Auditors who are newly elected and assumed office are Yasuo Sekiguchi and Kentaro Uryu.
7. Statutory Auditor Kentaro Uryu resigned from his office as of January 29, 2015. Upon the retirement of Statutory Auditor Kentaro Uryu, substitute Statutory Auditor Hideaki Asayama assumed the office of Outside Statutory Auditor as of the same date.
8. 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.

9. PCA Life Insurance Co., Ltd. changed its trade name to SBI Life Insurance Co., Ltd, as of May 1, 2015.

(2) Directors and Statutory Auditors who Retired from Their Office on or After the Day Following the Day on Which the 16th Ordinary General Meeting of Shareholders Held on June 27, 2014 Ended

Name	Position at Time of Retirement, Responsibilities and Other Significant Concurrent Offices Held	Retirement Date	Reason for Retirement
Kentaro Uryu	Outside Statutory Auditor of the Company Managing Partner of URYU & ITOGA Representative Director of U&I Advisory Service Co., Ltd.	January 29, 2015	Resignation
Satofumi Kawata	Director of the Company Representative Director, Executive Officer & COO of SBI Pharmaceuticals Co., Ltd.	February 26, 2015	Resignation

(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)	16 officers (6 officers)	¥457 million (¥101 million)
Statutory Auditors (Outside Statutory Auditors included)	4 officers (3 officers)	¥18 million (¥5 million)
Total (Outside Directors and Outside Statutory Auditors included)	20 officers (9 officers)	¥474 million (¥106 million)

(Note)

- The amount of remuneration of Directors does not include employee remuneration for any director who concurrently serves as an employee.
- 1 Director and 3 Statutory Auditors (2 outside Statutory Auditors included) do not receive remuneration.
- Remuneration of officers who retired from their office during the fiscal year ended March 31, 2015 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, 2015 amounts to ¥6 million.

(4) Matters Regarding Outside Officers

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

<b>Position</b>	<b>Name</b>	<b>Significant Concurrent Office</b>
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.
Director	Masanao Marumono	Vice-President of Japan Association of Employers of Persons with Severe Disabilities Counsel for SMBC Green Service Co., Ltd.
Director	Teruhide Sato	Founder and Adviser of BEENOS, Inc. Director of Open Network Lab, Inc.
Director	Kazuhiro Nakatsuka	Representative Director of Nakatsuka Research Institute, Inc.
Statutory Auditor	Yasuo Sekiguchi	Managing Director of Global Partners Consulting, Inc.
Statutory Auditor	Kentaro Uryu	Managing Partner of URYU & ITOGA Representative Director of U&I Advisory Service Co., Ltd.
Statutory Auditor	Hideaki Asayama	Statutory Auditor of SBI Liquidity Market Co., Ltd.

(Note)

1. SBI Liquidity Market Co., Ltd. is a subsidiary 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.
3. Mr. Kentaro Uryu resigned from the office of Outside Statutory Auditor as of January 29, 2015.

## (ii) Principal Activities in the Fiscal Year Ended March 31, 2015

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

		Meeting of Board of Directors (held 12 times)		Meeting of Board of Statutory Auditors (held 15 times)	
		Number of Times Attended	Attendance Rate	Number of Times Attended	Attendance Rate
Director	Kiyoshi Nagano	10 times	83%	—	—
Director	Keiji Watanabe	10 times	83%	—	—
Director	Akihiro Tamaki	10 times	83%	—	—
Director	Masanao Marumono	12 times	100%	—	—
Director	Teruhide Sato	11 times	91%	—	—
Director	Kazuhiro Nakatsuka	10 times	100%	—	—
Statutory Auditor	Yasuo Sekiguchi	9 times	90%	12 times	100%
Statutory Auditor	Kentaro Uryu	3 times	37%	4 times	44%
Statutory Auditor	Hideaki Asayama	2 times	100%	3 times	100%

## (Note)

1. Director Kazuhiro Nakatsuka was appointed as a Director on June 27, 2014. Meetings of the Board of Directors were held 10 times on and after June 27, 2014 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.
2. Statutory Auditor Yasuo Sekiguchi was appointed as a Statutory Auditor on June 27, 2014. Meetings of the Board of Directors were held 10 times and meetings of the Board of Statutory Auditors were held 12 times on and after June 27, 2014 and the attendance ratio for the above statutory auditor represents the percentage against the number of times the meetings were held on and after that date.
3. Statutory Auditor Kentaro Uryu was appointed as a Statutory Auditor on June 27, 2014 and retired from his office on January 29, 2015. Meetings of the Board of Directors were held 8 times and meetings of the Board of Statutory Auditors were held 9 times until the date of retirement and the attendance ratio for the above statutory auditor represents the percentage against the number of times the meetings were held until the date of retirement.
4. Statutory Auditor Hideaki Asayama was appointed as a Statutory Auditor on January 29, 2015. Meetings of the Board of Directors were held 2 times and meetings of the Board of Statutory Auditors were held 3 times on and after January 29, 2015 and the attendance ratio for the above statutory auditor 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, Teruhide Sato, and Kazuhiro Nakatsuka 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 Yasuo Sekiguchi and Kentaro Uryu have, from their expert perspective based on their experience as a certified public accountant and an attorney-at-law, respectively, and Statutory Auditor Hideaki Asayama has, based on the knowledge acquired through many years of experience in finance, accounting and management audit businesses, offered necessary statements on a timely basis at the meetings of the Board of Directors and the meetings of the Board of Statutory Auditors they attended.

(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, Teruhide Sato, and Kazuhiro Nakatsuka to limit each of their 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.

The Company has executed contracts for limitation of liability with Outside Statutory Auditors Yasuo Sekiguchi, Kentaro Uryu, and Hideaki Asayama to limit each of their 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 32, 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, 2015

¥297 million

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

¥560 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

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.

In addition, in light of the independence and specialization of the Accounting Auditor, as well as the status of conduct of the Accounting Auditor's duties, the Board of Statutory Auditors shall make the removal or disapproval of reappointment of the Accounting Auditor a purpose of the general meeting of shareholders if it is deemed difficult for the Accounting Auditor to properly conduct an audit.

### **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, 2015 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) In order to ensure that business operations are executed properly in the corporate group consisting of the Company and its subsidiaries (the “SBI Group”), the Company, in accordance with management regulations for related companies established by the Board of Directors, and out of respect for the management autonomy of each company, receives reports about matters relating to the execution of duties from directors and employees of companies belonging to the SBI Group and any person involved in the business of other corporate groups (the “SBI Group Officers and Employees”) and may conduct investigations within a necessary and reasonable extent.
  - (ii) The Company has established a Whistleblower System for submitting reports directly to the Statutory Auditors, enabling the SBI Group Officers and Employees to provide information concerning violations of laws, regulations, or the Articles of Incorporation or any other important facts relating to compliance. The Company reports to the Statutory Auditors on the status and details of reporting. In addition, the Company shall not dismiss or treat disadvantageously any person who makes a report using the Whistleblower System or any of the SBI Group Officers and Employees or any statutory auditor of subsidiaries who makes reports to the Statutory Auditor on matters relating to the execution of duties by the SBI Group Officers and Employees.
  - (iii) In order to ensure that the execution of duties by the SBI Group Officers and Employees conforms to laws, regulations, and the Articles of Incorporation, the Company shall, in accordance with compliance regulations established by the Board of Directors, hold compliance conferences to provide an opportunity to ascertain issues and matters and to exchange information about compliance for the entire SBI Group. The Director in charge of compliance and the Compliance Department hold these conferences along with compliance officers from companies belonging to the SBI Group. These compliance conferences are to be promptly convened when a request for convocation is made from a company belonging to the SBI Group.
  - (iv) The Company, in accordance with the internal audit regulations established by the Board of Directors, comprehensively and objectively evaluates the appropriateness of an internal management structure, which involves compliance with laws and regulations, the appropriateness of operations and the proper management of internal controls, among other responsibilities of companies belonging to the SBI Group. Also, in order to provide recommendations and to take follow-up measures for the purpose of seeking improvement with respect to issues uncovered as a result of internal audits, audits are conducted on those companies by the Internal Audit Department. 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.

- (v) If the Directors discover any violation of laws, regulations, or the Articles of Incorporation or any other important facts relating to compliance with regard to the execution of duties by the SBI Group Officers and Employees, they report this information to the Company's Statutory Auditors, and the Statutory Auditor who takes receipt of that report shall notify the statutory auditor of the company in relation to which those important facts were discovered.
  - (vi) In order to manage risk of loss in the SBI Group, the Company, in accordance with management regulations for related companies, risk management and other regulations established by the Board of Directors, receives from persons in charge of risk management of companies belonging to the SBI Group regular and timely reports about situations related to the risk of losses in companies belonging to the SBI Group. If necessary, the Company's Director responsible for risk management and the Risk Management Department shall, upon consultation with the persons in charge of risk management, make preparations for cases where any loss arises.
  - (vii) In order to ensure efficient execution of duties by the SBI Group Officers and Employees, the Company instructs companies belonging to the SBI Group to determine allocation of duties following a resolution by the board of directors and to clarify the division of roles among the directors. If necessary, the Company shall provide a data system that enables appropriate and prompt decision-making.
- (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, that Statutory Auditor is consulted with in advance and the opinions of that 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 and Employees report to the Statutory Auditors in a timely and accurate manner when the Directors and Employees come to know of any of the following concerning the SBI Group; in addition, the Directors and Employees shall promptly explain the details and may not refuse to explain without reasonable grounds when the Directors and Employees are asked by the Statutory Auditors for explanations on any of the following concerning the SBI Group:
    - (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 and Employees.
  - (ii) Any ordinary expenses arising in relation to the performance of the duties of the Statutory Auditors must be included in the Company budget in advance, based on the audit plan of the Board of Statutory Auditors. In addition, the Company shall, at the request of the Statutory Auditors, pay in advance or redeem, or otherwise dispose of debts with respect to, any expenses arising in relation to the performance of the duties of the Statutory Auditors, including urgent or extraordinary audit expenses.
- (8) Other Frameworks for Ensuring that Statutory Auditors Effectively Execute Audits
- (i) The Company will, at the request of the Statutory Auditors, cause the Company's Directors and Employees to hold regular meetings with the Statutory Auditors for the purpose of sharing information regarding management-based issues and problems of the SBI Group and, as necessary, facilitates sharing of information between Statutory Auditors and the Internal Auditing Department with the Accounting Auditor.
  - (ii) The Company shall make efforts to develop a framework that enables the Statutory Auditors to hold regular meetings with statutory auditors of important subsidiaries and cooperate with each other to ensure the effectiveness of auditing of the SBI Group.
- (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 SBI Group 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 the SBI Group Officers and Employees. 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 March 31,  
2015

	Millions of Yen
<b>Assets</b>	
Cash and cash equivalents	290,826
Trade and other accounts receivable	342,459
Assets related to securities business	
Cash segregated as deposits	1,250,678
Margin transaction assets	276,387
Other assets related to securities business	601,695
Total assets related to securities business	2,128,760
Other financial assets	31,096
Operational investment securities	114,946
Other investment securities	193,064
Investments accounted for using the equity method	45,455
Investment properties	18,478
Property and equipment	10,590
Intangible assets	199,810
Other assets	22,785
Deferred tax assets	2,494
<b>Total assets</b>	<b>3,400,763</b>
<b>Liabilities</b>	
Bonds and loans payable	374,771
Trade and other accounts payable	55,005
Liabilities related to securities business	
Margin transaction liabilities	97,757
Loans payable secured by securities	290,480
Deposits from customers	638,879
Guarantee deposits received	545,116
Other liabilities related to securities business	388,161
Total liabilities related to securities business	1,960,393
Customer deposits for banking business	361,102
Insurance contract liability	170,042
Income tax payable	13,792
Other financial liabilities	13,757
Other liabilities	12,034
Deferred tax liabilities	9,252
<b>Total liabilities</b>	<b>2,970,148</b>
<b>Equity</b>	
Capital stock	81,681
Capital surplus	148,676
Treasury stock	(5,137)
Other component of equity	36,934
Retained earnings	121,337
Equity attributable to owners of the Company	383,491
Non-controlling interests	47,124
<b>Total equity</b>	<b>430,615</b>
<b>Total liabilities and equity</b>	<b>3,400,763</b>

## (2) Consolidated Statement of Income

	Fiscal year ended March 31, 2015
	Millions of Yen
Operating revenue	245,045
Operating expense	
Operating cost	(64,019)
Finance cost	(16,610)
Selling, general and administrative expenses	(92,039)
Other expenses	(11,247)
Total operating expense	(183,915)
Gain on bargain purchase	2,008
Share of the profit of associates and joint ventures accounted for using the equity method	5,071
Operating income	68,209
Other financial income and cost	
Other financial income	370
Other financial cost	(5,512)
Total other financial income and cost	(5,142)
Profit before income tax expense	63,067
Income tax expense	(23,753)
Profit for the year	39,314
Profit for the year attributable to	
Owners of the Company	45,721
Non-controlling interests	(6,407)
Profit for the year	39,314



### (3) Consolidated Statement of Changes in Equity

	Attributable to owners of the Company					Total	Non-controlling interests	Total equity
	Capital stock	Capital surplus	Treasury stock	Other component of equity	Retained earnings			
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen			
As at March 31, 2014	81,681	152,725	(5,140)	16,225	80,140	325,631	62,832	388,463
Profit for the year	—	—	—	—	45,721	45,721	(6,407)	39,314
Other comprehensive income	—	—	—	20,525	—	20,525	958	21,483
Total comprehensive income	—	—	—	20,525	45,721	66,246	(5,449)	60,797
Issuance of stock acquisition rights	—	113	—	—	—	113	—	113
Change in scope of consolidation	—	419	—	—	—	419	(7,154)	(6,735)
Dividends paid	—	—	—	—	(4,340)	(4,340)	(5,482)	(9,822)
Treasury shares purchased	—	—	(34)	—	—	(34)	—	(34)
Treasury shares sold	—	1	37	—	—	38	—	38
Changes of interests in subsidiaries without losing control	—	(4,582)	—	—	—	(4,582)	2,377	(2,205)
Transfer	—	—	—	184	(184)	—	—	—
As at March 31, 2015	81,681	148,676	(5,137)	36,934	121,337	383,491	47,124	430,615



## 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: 173

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

Major changes in the scope of consolidation are as follows.

• Newly consolidated company:

PCA Life Insurance Co., Ltd. (The company name was changed to SBI Life Insurance Co., Ltd. as at May 1, 2015.)

• Deconsolidated company due to share sales:

SBI Mortgage Co., Ltd.

SBI Lease Co., Ltd.

SBI Life Living Co., Ltd.

• Deconsolidated company due to liquidation:

SBI Net Systems Co., Ltd.

#### 3. Application of equity method

Number of investments in associates and joint ventures accounted for using the equity method: 39

Major investment accounted for using the 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"). 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 financial assets 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 derecognizes a financial asset when, and only when, the contractual rights to the cash flows 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 a quoted market price from an 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 cost

The Group recognizes impairment losses for financial assets measured at amortized cost after the initial recognition when there is objective evidence that a loss event has occurred and it is reasonably predictable that a 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 cost 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. An 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 derivative instruments (mainly interest rate swap contracts and forward exchange contracts) in order to hedge interest rate risk and exchange fluctuation 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 derivative, in compliance with our risk management objective and strategy. In addition, the Group has formal documentation on the effectiveness of derivatives 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 derivatives, 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 or exchange rates shall adjust the carrying amount of the hedged item and be recognized in profit or loss.

Among the changes in fair value of derivatives 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 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, at which point 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 measured using the cost method and stated at cost less accumulated amortization and accumulated impairment loss.

- Lease assets

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 impairment tests at year end. 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 is 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.

(4) Other important policies for preparation of consolidated financial statements

① Recognition of significant 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 significant 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 to 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 who gains the main part of the profit from 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.

② Accounting for insurance contracts

For insurance contracts and reinsurance contracts, the Group applies its accounting policy determined based on the Insurance Business Act, the Ordinance for Enforcement of the Insurance Business Act, and other Japanese accounting practices, while considering the requirements under IFRS 4 "Insurance Contracts".

A liability adequacy test is performed in consideration of estimated present value of all contractual cash flows and related cash flows such as claims handling costs. If the test shows that the liability is inadequate, the entire deficiency is recognized in profit or loss.

③ 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 exchange 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 in profit or loss, except for retranslation differences in financial instruments that are measured at fair value and 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 that is different from the presentation currency are translated into the presentation currency using the rates of exchange 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 March 31, 2014, 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 on the consolidated financial statements resulting from their adoption.

	Statement of standards	Summary of new standards and amendments
IFRS 10	Consolidated Financial Statements	
IFRS 12	Disclosure of Interests in Other Entities	Clarification of the definition of "investment entities" and measurement of investment to investee
IAS 27	Separate Financial Statements	
IAS 32	Financial Instruments: Presentation	Clarification of offsetting criteria and supplement to application guidance
IAS 36	Impairment of Assets	Recoverable amount disclosures for non-financial assets
IFRIC 21	Levies	Clarification on the recognition of a liability for levies

## NOTES TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 1. Pledged assets and related liabilities

#### (1) Pledged assets consisted of the following:

Cash and cash equivalents	75 Millions of Yen
Trade and other accounts receivable	9,527 Millions of Yen
Other assets	6 Millions of Yen
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Total	9,608 Millions of Yen

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

Bonds and loans payable	5,892 Millions of Yen
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### 2. Accumulated depreciation and accumulated impairment loss of property and equipment:

9,807 Millions of Yen

## NOTES TO CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### 1. Number and class of issued shares as of March 31, 2015

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 May 8, 2014

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

#### (2) Dividend whose record date fell in the year ended March 31, 2015, and whose effective date will be in the year ending March 31, 2016

Dividend approved by Board of Director's meeting on May 12, 2015

• Dividend amount	7,594 Millions of Yen
• Amount per share	35 Yen (including commemorative dividend of 5 yen for the 15th anniversary of the foundation of the Company)
• Record date	March 31, 2015
• Effective date	June 8, 2015

### 3. Number and class of shares for stock acquisition rights (excluding those for which the commencement date of the exercise period has not yet arrived) as of March 31, 2015

Common shares related to:

Stock acquisition rights	168,705 shares
Convertible bonds	19,962,792 shares

## 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, insurance business, loan business, credit card 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 interest rates derived from appropriate indices such as government bond 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 values 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 stock acquisition rights and stock warrants are determined using valuation models including discounted cash flow analysis, analysis based on revenues, profits and net assets, and pricing analysis with reference to comparable industry prices. The fair values of bonds are determined using reasonable valuation based on available information such as Reference Statistical Prices and quoted price provided by the financing banks. 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

The 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	290,826	290,826
Trade and other accounts receivable	342,459	349,800
Assets related to securities business	2,128,760	2,128,760
Other financial assets	31,096	31,096
Operational investment securities	114,946	114,946
Other investment securities	193,064	192,653
Financial liabilities		
Bonds and loans payable	374,771	375,888
Trade and other accounts payable	55,005	55,005
Liabilities related to securities business	1,960,393	1,960,393
Customer deposits for banking business	361,102	363,496
Other financial liabilities	13,757	13,757

## NOTES TO PER SHARE INFORMATION

Equity per share attributable to owners of the Company	1,771.19 Yen
Basic earnings per share attributable to owners of the Company	211.18 Yen

## NOTES TO EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors' meeting held on May 12, 2015, the Company resolved the purchase of its own shares pursuant to Article 156 of the Companies Act of Japan (the "Companies Act") as applied pursuant to the third paragraph of Article 165 of the Companies Act.

### 1. Purpose of acquisition

After due consideration of the consolidated financial results for the fiscal year ended March 31, 2015, the Company has resolved to conduct the share repurchase to return profits to our shareholders, while enabling the implementation of an agile capital policy in response to changes in the business environment.

### 2. Details of acquisition

(1)	Class of shares to be repurchased	Common stock
(2)	Number of shares to be repurchased	Up to 7 million shares
(3)	Total cost of shares to be repurchased	Up to JPY 10.0 billion
(4)	Period for share repurchase	May 13, 2015 to June 23, 2015

## OTHER NOTES

### 1. Changes in corporation tax rates

The Act for Partial Amendment of the Income Tax Act, etc. (Act No. 9 of 2015) was promulgated on March 31, 2015. As a result, the reduction of corporate tax rates, etc., has been enforced from the fiscal year starting on or after April 1, 2015. 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 April 1, 2015 is changed from the previous 35.64% to 33.26%, and those expected to reverse during the fiscal year that starts on or after April 1, 2016 is changed from 35.64% to 32.35%. These changes in tax rates had little impact on income tax expense and current-year profit.

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

**FINANCIAL STATEMENTS**  
**(1)**

**Balance Sheet**

As at March 31,  
2015

Millions of Yen

Assets	
Current assets	
Cash and deposit	36,645
Accounts receivable-trade	1,043
Real estate for sale	1,194
Operational investment securities	21,128
Short-term investment securities	32
Raw materials and supplies	1
Prepaid expenses	274
Operational loans receivable	44
Short-term loans receivable	44,777
Deferred tax assets	671
Others	6,501
Allowance for doubtful accounts	(708)
Total current assets	<u>111,602</u>
Non-current assets	
Property and equipment	
Buildings	1,500
Structures	3
Machinery and equipment	6
Vehicles	11
Tools, furniture and fixtures	139
Land	245
Lease assets	2
Construction in progress	35
Total property and equipment	<u>1,941</u>
Intangible assets	
Patents	1,002
Trademark	14
Software	241
Telephone rights	5
Total intangible assets	<u>1,262</u>

	As at March 31, 2015
	<u>Millions of Yen</u>
Investments and other assets	
Stocks of subsidiaries and associates	467,960
Investments in other securities of subsidiaries and associates	28,615
Investment securities	2,943
Investments in subsidiaries and associates other than equity securities	41
Long-term prepaid expenses	302
Lease and guarantee deposits	1,620
Deferred tax assets	23
Others	10
Total investments and other assets	<u>501,514</u>
Deferred charges	
Bonds issuance costs	346
Total deferred charges	<u>346</u>
Total non-current assets	<u>504,717</u>
Total assets	<u><u>616,665</u></u>
Liabilities	
Current liabilities	
Short-term loans payable	101,280
Current portion of bonds payable	20,000
Lease obligations	1
Accounts payable	2,119
Accrued expenses	571
Accrued income tax	10,820
Advances received	313
Deposits received	146
Others	13
Total current liabilities	<u>135,263</u>
Non-current liabilities	
Bonds payable	90,000
Long-term loans payable	224
Lease obligations	1
Asset retirement obligation	124
Long-term deposits received	12,700
Total non-current liabilities	<u>103,049</u>
Total liabilities	<u><u>238,312</u></u>

	As at March 31, 2015
	<u>Millions of Yen</u>
Net assets	
Shareholders' equity	
Capital stock	81,681
Capital surplus	
Legal capital surplus	126,792
Other capital surplus	101,184
Total capital surplus	<u>227,976</u>
Retained earnings	
Other retained earnings	
Retained earnings brought forward	<u>70,462</u>
Total retained earnings	<u>70,462</u>
Treasury stock	<u>(5,137)</u>
Total shareholders' equity	<u>374,982</u>
Valuation and translation adjustments	
Unrealized gains on available-for-sale securities	<u>3,258</u>
Total valuation and translation adjustments	<u>3,258</u>
Stock acquisition rights	<u>113</u>
Total net assets	<u>378,353</u>
Total liabilities and net assets	<u>616,665</u>

## (2) Statement of Income

	Fiscal Year ended March 31, 2015
	Millions of Yen
Net sales	31,659
Cost of sales	20,700
Gross profit	10,959
Selling, general and administrative expenses	6,953
Operating income	4,006
Non-operating income	
Interest income	1,389
Dividend income	8
Foreign exchange gains	1,021
Others	193
Total non-operating income	2,611
Non-operating expense	
Interest expense	3,517
Amortization of bond issuance costs	280
Commission fees	461
Others	66
Total non-operating expense	4,324
Ordinary income	2,293
Extraordinary income	
Gain on sales of investment in subsidiaries and associates	28,784
Others	918
Total extraordinary income	29,702
Extraordinary expense	
Impairment losses	1,195
Loss on sales of investment in subsidiaries and associates	733
Loss on valuation of investment in subsidiaries and associates	3,816
Others	782
Total extraordinary expense	6,526
Income before income taxes	25,469
Income taxes-current	3,985
Income taxes-deferred	(197)
Total income taxes	3,788
Net income	21,681

### (3) Statement of Changes in Net Assets

	Shareholders' Equity							
	Capital Stock	Capital Surplus			Retained earnings		Treasury Stock	Total
		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 April 1, 2014	81,681	126,792	101,183	227,975	53,121	53,121	(5,140)	357,637
Dividends paid	—	—	—	—	(4,340)	(4,340)	—	(4,340)
Net income	—	—	—	—	21,681	21,681	—	21,681
Treasury shares purchased	—	—	—	—	—	—	(34)	(34)
Treasury shares sold	—	—	1	1	—	—	37	38
Net changes other than shareholders' equity	—	—	—	—	—	—	—	—
Total changes during the year	—	—	1	1	17,341	17,341	3	17,345
As at March 31, 2015	81,681	126,792	101,184	227,976	70,462	70,462	(5,137)	374,982

	Valuation and Translation Adjustments		Stock acquisition rights	Total Net Assets
	Unrealized gains on available-for-sale securities	Total		
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
As at April 1, 2014	3,235	3,235	—	360,872
Dividends paid	—	—	—	(4,340)
Net income	—	—	—	21,681
Treasury shares purchased	—	—	—	(34)
Treasury shares sold	—	—	—	38
Net changes other than shareholders' equity	23	23	113	136
Total changes during the year	23	23	113	17,481
As at March 31, 2015	3,258	3,258	113	378,353

## 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

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 deemed 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 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.

## CHANGE IN ACCOUNTING POLICY

### Application of Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts

The Company applied Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (ASBJ PITF No. 30, March 26, 2015) from the fiscal year ended March 31, 2015. For trust agreements executed before the beginning of the fiscal year ended March 31, 2015, previous accounting standards have been continuously applied.

## ADDITIONAL INFORMATION

### Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts

#### (1) Overview of the transaction

At the Board of Directors' meeting held on September 29, 2011, the Company introduced an employee incentive plan called the "Stock Benefit Trust (Employee Stockholding Association Purchase-type)" (hereinafter "the Plan"). The purpose of the implementation of the Plan is to improve employees' welfare and increase their motivation for work and awareness of stock performance through steady stock provision to the employee stockholding association and distribution of the profit created by trust property management so that we can increase our corporate value.

The Plan is an incentive plan to return the benefits of stock price increases to all members of both "SBI Holdings Employee Stockholding Association" and "the SBI Group Employee Stockholding Association" (hereinafter the Stockholding Associations).

The trust bank, trustee of the trust dedicated to the Plan (hereinafter "the Trust"), acquires the same number of stocks, all at once, as the Stockholding Associations expect to acquire in 5 years from the establishment of the Trust, and sells off the stocks to the Stockholding Associations. The remaining funds will be distributed to qualified members of the Stockholding Associations when there are earnings resulting from an upward swing in stock price when the Trust terminates. When a loss occurs due to a drop in stock prices, the Company will pay back the loan based on the guarantee clause of the loan agreement.

#### (2) Accounting for transactions of delivering the Company's own stock through trusts

Pursuant to paragraph 20 of "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (ASBJ PITF No. 30, March 26, 2015), the Company continues to use the same accounting method as it previously used.

#### (3) Company's stock owned by the trust

As at March 31, 2015, the carrying value of the Company's stock owned by the Trust was 285 million yen, which was recorded as treasury stock under shareholders' equity. The number of shares owned by the Trust as at March 31, 2015 was 455,540 shares, and the average number of shares owned by the Trust during the fiscal year ended March 31, 2015 was 480,133.70 shares. The number of shares owned by the Trust is included in the number of treasury stock, which is deducted from the total number of shares in the calculation process of per share information.

#### (4) Loans payable recorded under the gross method

The carrying value of loans payable recorded under the gross method as at March 31, 2015 was 224 million yen.

## NOTES TO BALANCE SHEET

### 1. Accumulated depreciation:

	As at March 31, 2015
	<u>Millions of Yen</u>
Property and equipment	1,641

### 2. Contingent Liabilities:

(1) Guarantees for trade liability of subsidiaries and associates	2,823 Millions of Yen
Guarantees for loan payable of subsidiaries and associates	28,236 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.

### 3. Assets and liabilities of subsidiaries and associates:

	As at March 31, 2015
	<u>Millions of Yen</u>
(1) Short-term receivables	51,959
(2) Long-term receivables	4
(3) Short-term payables	61,119
(4) Long-term payables	12,011

## NOTES TO STATEMENT OF INCOME

### Transactions with subsidiaries and associates:

	As at March 31, 2015
	<u>Millions of Yen</u>
Net sales	14,082
Purchases	1,716
Other transactions	2,644

## NOTES TO STATEMENT OF CHANGES IN NET ASSETS

### Class and number of treasury stock

	As at March 31, 2015
	<u>Shares</u>
Common shares	8,046,610

(Note) The number of common shares includes the shares held by the Stock Benefit Trust, which was 455,540.

## 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. 9 of 2015) was promulgated on March 31, 2015. As a result, the reduction of corporate tax rates, etc., has been enforced from the fiscal year starting on or after April 1, 2015. 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 April 1, 2015 is changed from the previous 35.64% to 33.10%, and those expected to reverse during the fiscal year that starts on or after April 1, 2016 is changed from 35.64% to 32.34%. These changes in income tax rates had little impact on the financial statements.

## 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	Amount (Millions of Yen)	Account name	Balance (Millions of Yen)
Subsidiary	SBI Incubation Co., Ltd.	100 (79.8)	Interlocking directors	Finance (*2)	30,376	Short-term loans receivable	12,638
Subsidiary	e-Research Inc.	100 (100)	—	Finance (*2)	21,527	Short-term loans receivable	10,670
Subsidiary	SBI Guarantee Co., Ltd.	100 (100)	—	Finance (*2)	11,434	Short-term loans receivable	280
Subsidiary	CEM Corporation Co., Ltd	79.7 (57.1)	—	Finance (*2)	14,940	Short-term loans receivable	7,290
Subsidiary	SBI Hong Kong Holdings Co., Limited	100	Interlocking directors	Finance (*2)	9,787	Short-term loans receivable	4,651
				Capital contribution	11,256	—	—
Subsidiary	SBI SECURITIES Co., Ltd.	100 (100)	Interlocking directors	Transaction of individual allocated amount of consolidated corporation Tax	7,853	Other receivable	3,792
				Borrowing (*2)	243,000	Short-term loans payable	51,000
				Guaranty deposit	6,500	long-term deposits payable	11,250
Subsidiary	SBI FINANCIAL SERVICES Co., Ltd.	100	Interlocking directors	Dividend in kind	12,000	—	—
				Guaranteed (*3)	126,284	—	—
Subsidiary	SBI LK Co., Ltd.	100	—	Debt guaranty (*4)	14,118	—	—
Subsidiary	SBI PK Co., Ltd.	100	—	Debt guaranty (*4)	14,118	—	—

Note:

(\*1) The figures in parentheses represent 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 a subsidiary was pledged for by SBI FINANCIAL SERVICES Co., Ltd. The amount represents the outstanding balance.

(\*4) The Company guarantees loans obtained by its subsidiaries from financial institutions.

## NOTES TO PER SHARE INFORMATION

	Year ended March 31, 2015
	Yen
Net assets per share	1,746.94
Net income per share	100.14

(Note) The number of treasury shares and the number of shares of the Company held by the Stock Benefit Trust which was 455,540 shares as at the end of the fiscal year, and 480,133.70 shares as the average number of shares outstanding during the fiscal year are excluded from the calculation of the number of ordinary shares used for the calculation of net assets per share and the average number of ordinary shares used for the calculation of net income per share.

## NOTES TO EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors' meeting held on May 12, 2015, the Company resolved the purchase of its own shares pursuant to Article 156 of the Companies Act of Japan (the "Companies Act") as applied pursuant to the third paragraph of Article 165 of the Companies Act. For further information, please refer to NOTES TO EVENTS AFTER THE REPORTING PERIOD in the NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

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

(TRANSLATION)

## INDEPENDENT AUDITOR'S REPORT

May 18, 2015

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 March 31, 2015 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 April 1, 2014 to March 31, 2015, 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 March 31, 2015, and the results of their operations for the year then ended.

### **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

May 18, 2015

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 March 31, 2015 of SBI Holdings, Inc. (the "Company"), and the related statements of income and changes in net assets for the 17th fiscal year from April 1, 2014 to March 31, 2015, 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 March 31, 2015, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in Japan.

### **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 17th fiscal year (from April 1, 2014 to March 31, 2015), 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 Directors' 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 required 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 22, 2015

The Board of Statutory Auditors of SBI Holdings, Inc.

Standing Statutory Auditor

Atsushi Fujii (seal)

Statutory Auditor:

Minoru Tada (seal)

Outside Statutory Auditor:

Yasuo Sekiguchi (seal)

Outside Statutory Auditor:

Hideaki Asayama (seal)

Note: On January 29, 2015, the substitute Outside Statutory Auditor Mr. Hideaki Asayama was appointed as an Outside Statutory Auditor following the resignation of former Outside Statutory Auditor Mr. Kentaro Uryu. Mr. Hideaki Asayama has conducted auditing for matters to be audited before his appointment by inspection of materials after receiving reports of those matters from other Statutory Auditors and by other methods.

-End-

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

**First Item of Business: Election of Seventeen (17) Directors**

The term of office of all fourteen (14) current Directors expires as of the end of this Ordinary General Meeting of Shareholders, so in order to further reinforce the management structure, the Company proposes that seventeen (17) 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.  June 1995 Executive Vice President and CFO of SOFTBANK CORP.  March 1999 Representative Director of Softbank Finance Corp.  (Currently, SoftBank Mobile Corp.)  July 1999 Representative Director and President of the Company  June 2003 Representative Director and CEO of the Company  July 2004 Director and Chairman of E*TRADE SECURITIES Co.,  Ltd. (Currently, SBI SECURITIES Co., Ltd.)  June 2005 Representative Director and CEO of SBI VENTURES  K.K. (Currently, SBI Investment Co., Ltd.)  June 2007 Director of SBI VEN HOLDINGS PTE. LTD. (present)  April 2008 Representative Director &amp; CEO of SBI ALApromo Co.,  Ltd. (Currently, SBI Pharmaceuticals Co., Ltd.) (present)  Oct. 2010 Representative Director and Chairman of SBI  SECURITIES Co., Ltd. (present)  Feb. 2011 Director of SBI Japannext Co., Ltd. (present)  June 2012 Representative Director, President &amp; CEO of the Company  (present)  July 2012 Director of Morningstar Japan K.K. (present)  July 2012 Representative Director of SBI Hong Kong Holdings Co.,  Limited (present)  May 2013 Representative Director and Chairman of SBI Investment  Co., Ltd. (present)  June 2014 Director and Chairman of SBI FINANCIAL SERVICES  Co., Ltd. (present)  June 2014 Director and Chairman of SBI Capital Management Co.,  Ltd. (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
2	Katsuya Kawashima (March 30, 1963)	<p>April 1985 Entered Nomura Securities Co., Ltd.</p> <p>Aug. 1995 Entered SOFTBANK 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 Mobile Corp.)</p> <p>March 2001 Representative Director and President of Morningstar Japan K.K.</p> <p>Dec. 2005 Director, Senior Executive Vice President &amp; COO of E*TRADE SECURITIES Co., Ltd. (Currently, SBI 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>Sep. 2007 Deputy President and COO 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 Representative Director and President of SBI MONEY PLAZA Co., Ltd.</p> <p>June 2014 Director of SBI SECURITIES Co., Ltd. (present)</p> <p>June 2014 Representative Director, Senior Executive Vice President &amp; Co-COO of the Company (present)</p> <p>April 2015 Director of SBI FINANCIAL SERVICES Co., Ltd. (present)</p> <p>April 2015 Representative Director and President of SBI Capital Management Co., Ltd. (present)</p> <p>April 2015 Representative Director and President of SBI Investment 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
3	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 Mobile Corp.)</p> <p>June 2000 Entered the Company</p> <p>Dec. 2002 Director of the Company</p> <p>June 2005 Director and Managing Executive Officer of SBI VENTURES K.K. (Currently, SBI Investment Co., Ltd.)</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 2012 Director &amp; Senior Managing Executive Officer, and Head of Fund Investments, Overseas Business Div. of the Company</p> <p>Feb. 2013 Director &amp; Senior Managing Executive Officer of the Company</p> <p>June 2014 Chairman of the Board of Directors of SBI AXES Co., Ltd. (present)</p> <p>June 2014 Representative Director &amp; Senior Managing Executive Officer of the Company</p> <p>March 2015 Representative Director, Senior Executive Vice President &amp; Co-COO of the Company (present)</p> <p>April 2015 Representative Director and President of SBI FINANCIAL SERVICES Co., Ltd. (present)</p> <p>April 2015 Director of SBI Capital Management Co., Ltd. (present)</p> <p>April 2015 Director of SBI Investment Co., Ltd. (present)</p> <p>April 2015 Director and Chairman of SBI MONEY PLAZA 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
4	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>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>May 2009 Representative Director of Morningstar Asset Management Co., Ltd. (present)</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 &amp; Managing Executive Officer of the Company</p> <p>July 2012 Representative Director &amp; President of Morningstar Japan K.K. (present)</p> <p>June 2013 Director &amp; Senior Managing Executive Officer of the Company (present)</p> <p>Feb. 2015 Representative Director and President of SBI SSI Holdings Co., Ltd. (present)</p> <p>Feb. 2015 Director of PCA Life Insurance Co., Ltd. (Currently, SBI Life Insurance Co., Ltd.) (present)</p>	—
5	Shumpei Morita (December 31, 1974)	<p>April 1998 Entered SOFTBANK CORP.</p> <p>April 1999 Entered Softbank Accounting Corp. (Currently, SoftBank Mobile 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 &amp; CFO of the Company (present)</p> <p>Feb. 2013 Statutory Auditor of SBI Pharmaceuticals Co., Ltd. (present)</p>	20,000 shares

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	Number of Company's Shares Owned
6	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> <p>May 2014 Representative Director of Nakatsuka Research Institute, Inc.</p> <p>June 2014 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
7	Peilung Li (October 31, 1974)	<p>April 2000 Entered Deloitte Tohmatsu Consulting Co., Ltd. (Currently, Deloitte Tohmatsu Consulting LLC)</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 &amp; 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>	—
8	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>	—

Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	Number of Company's Shares Owned
9	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
10	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 &amp; President of Jasdaq Market Inc. (Currently, Japan Exchange Group, Inc.)</p> <p>Dec. 2004 Chairman &amp; 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 &amp; 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>	—
11	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
12	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. (Currently, KADOKAWA DWANGO CORPORATION)</p>	—
13	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.</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
14	Teruhide Sato (Feb. 24, 1975)	<p>Sep. 1997 Entered SOFTBANK CORP. Assigned to CyberCash K.K. (Currently, VeriTrans Inc.)</p> <p>April 1999 Moved to Softbank Finance Corp. (Currently SoftBank Mobile Corp.) from SOFTBANK CORP.</p> <p>March 2000 Retired Softbank Finance Corp. (Currently SoftBank Mobile Corp.) (Terminated the Secondment to CyberCash K.K. (Currently, VeriTrans Inc.))</p> <p>April 2000 Representative Director, President and CEO of netprice, Ltd. (Currently, BEENOS Inc.)</p> <p>Feb. 2007 President and Group CEO of netprice.com, Ltd. (Currently, BEENOS Inc.)</p> <p>Sep. 2011 Director of Open Network Lab, Inc.</p> <p>Jan. 2012 Komisararis of PT MIDTRANS (present)</p> <p>May 2012 CEO and Managing Director of Netprice Partners Co., Ltd. (Currently, BEENOS Partners, Inc.)</p> <p>Jan. 2013 President of BEENOS Asia Pte. Ltd.</p> <p>June 2013 Outside Director of the Company (present)</p> <p>April 2014 President of BEENOS VN, Inc.</p> <p>May 2014 President of BEENOS Plaza Pte. Ltd.</p> <p>Dec. 2014 Director of BEENOS Inc.</p> <p>Feb. 2015 Founder and Adviser of BEENOS Inc.</p> <p>April 2015 Director of BEENEXT 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
15	Tatsuo Shigemitsu (January 24, 1958)	<p>April 1981 Entered the Union Boeki Co. Ltd. (Currently, UNICOM GROUP HOLDINGS, INC.)</p> <p>June 1992 Director of the Union Boeki Co. Ltd. (Currently, UNICOM GROUP HOLDINGS, INC.)</p> <p>June 1999 Managing Director of the Union Boeki Co. Ltd. (Currently, UNICOM GROUP HOLDINGS, INC.)</p> <p>June 2002 Executive Managing Director of the Union Boeki Co. Ltd (Currently, UNICOM GROUP HOLDINGS, INC.)</p> <p>June 2002 Managing Director of the Board of Access Securities, Inc. (Currently, NISSAN CENTURY SECURITIES CO., LTD)</p> <p>June 2004 Vice President of NIHON UNICOM, INC. (Currently, UNICOM GROUP HOLDINGS, INC.)</p> <p>March 2005 President of FX Platform Co., Ltd.</p> <p>June 2006 President of UNICOM GROUP HOLDINGS, INC.</p> <p>Oct. 2006 President of NIHON UNICOM, INC.</p> <p>July 2008 Entered the Company</p> <p>July 2008 President of SBI Liquidity Market Co., Ltd. (present)</p>	6,000 shares
16	Ayako Hirota Weissman (May 9, 1957)	<p>Jan. 1984 Vice president of Equitable Capital Management</p> <p>Jan. 1987 Managing Director of Smith Barney, Harris Upham &amp; Co. Inc. (Currently, CitiGroup Inc.)</p> <p>Oct. 1999 Partner of Feirstein Capital Management LLC</p> <p>Jan. 2002 Portfolio Manager of Kingdon Capital Management LLC</p> <p>June 2006 Founder and Chief Investment Officer of AS Hirota Capital Management LLC</p> <p>Nov. 2010 Senior Vice President, Senior Portfolio Manager, Director of Asia Strategy of Horizon Asset Management, Inc. (Currently, Horizon Kinetics LLC) (present)</p>	—



Number	Name (Date of Birth)	Career Summary, Position, Responsibilities and Other Significant Concurrent Offices Held	Number of Company's Shares Owned
17	Yasumine Satake (December 1, 1953)	<p>April 1976 Entered The Mitsubishi Bank, Ltd. (Currently, The Bank of Tokyo-Mitsubishi UFJ, Ltd.)</p> <p>March 1993 Assistant Branch Manager of Singapore branch of The Mitsubishi Bank, Ltd.</p> <p>July 1997 Chief of Planning Division of Tokyo Mitsubishi Asset Management (Currently, Mitsubishi UFJ Asset Management Co., Ltd.)</p> <p>May 2001 Chief of Asset Management Planning Division of The Bank of Tokyo-Mitsubishi, Ltd. (Currently, The Bank of Tokyo-Mitsubishi UFJ, Ltd.)</p> <p>July 2004 Representative Director and Chairman of Mitsubishi-Tokyo Wealth Management Bank (Switzerland), Ltd. and Representative Director and President of Mitsubishi-Tokyo Wealth Management Securities, Ltd.</p> <p>April 2006 Representative Director and President of Mitsubishi UFJ Wealth Management Securities, Ltd.</p> <p>Aug. 2008 Director of The Tokyo Star Bank, Limited</p> <p>April 2011 Director of The Japan Opera Foundation (established as an incorporated foundation)(Currently, The Japan Opera Foundation (established as a public interest incorporated foundation)) (a part-time position)</p> <p>June 2011 Chairman of The Tokyo Star Bank, Limited</p> <p>April 2012 Chairperson of the board of directors of The Japan Opera Foundation (established as a public interest incorporated foundation) (a part-time position) (present)</p> <p>June 2014 Adviser of The Tokyo Star Bank, Limited</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, Ms. Ayako Hirota Weissman, and Mr. Yasumine Satake 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 Jasadq 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 ten (10) 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, Ms. Ayako Hirota Weissman, and Mr. Yasumine Satake as candidates for Outside Director in order to utilize their ample experience and knowledge developed through their past careers in the Company's management.
6. Mr. Kiyoshi Nagano, Mr. Keiji Watanabe, and Mr. Akihiro Tamaki are currently Outside Directors of the Company, and they will have served for five (5) 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 three (3) 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 two (2) years as Outside Director as of the end of this Ordinary General Meeting of Shareholders.

7. 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.
8. If the election of Ms. Ayako Hirota Weissman and Mr. Yasumine Satake is approved, the Company will enter into an agreement with each of Ms. Ayako Hirota Weissman and Mr. Yasumine Satake similar to the contracts for limitation of liability described in 7. above.

## Second Item of Business: Election of One (1) Statutory Auditor

The Statutory Auditor Mr. Hideaki Asayama will retire from his office because of his resignation as of the end of this Ordinary General Meeting of Shareholders, so the Company proposes that one (1) Statutory Auditor be elected to fill the vacancy left by Mr. Hideaki Asayama and that the Statutory Auditor candidate Mr. Hiroaki Nagasue be elected as that Statutory Auditor.

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

The term of office of the Statutory Auditor to be elected at this Ordinary General Meeting of Shareholders is to be the same as the remaining period of his predecessor in accordance with the provisions of the Company's Articles of Incorporation.

The candidate for new Statutory Auditor is as follows:

Name (Date of Birth)	Career Summary, Position and Significant Concurrent Offices Held	Number of Company's Shares Owned
Hiroaki Nagasue (April 9, 1951)	April 1975 Entered The Dai-Tokyo Fire & Marine Insurance Co., Ltd. (Currently, Aioi Nissay Dowa Insurance Co., Ltd.)	—
	April 1999 Director and Chief of Sales Management Division of Dai-Tokyo Fire & Marine Insurance Co., Ltd.	
	April 2000 Director and Chief of General Planning Division of Dai-Tokyo Fire & Marine Insurance Co., Ltd.	
	April 2001 Executive Officer and General Manager of Kyushu Sales Division of Aioi Insurance Co., Ltd. (Currently, Aioi Nissay Dowa Insurance Co., Ltd.)	
	Feb. 2002 Executive Officer and Chief of Sales Management Division of Aioi Insurance Co., Ltd.	
	April 2003 Executive Officer and General Manager of Saitama Sales Division of Aioi Insurance Co., Ltd.	
	April 2004 Executive Officer, General Manager of Kinki Sales Division and Head of Kinki Strategy Office of Aioi Insurance Co., Ltd.	
	July 2006 Senior Managing Officer and General Manager of Kinki Office of Aioi Insurance Co., Ltd.	
	July 2007 Senior Managing Director, Chief of Sales Development Division, and Head of Metropolitan Area Strategy Office of Aioi Insurance Co., Ltd.	
	June 2008 Representative Director and Senior Managing Executive Officer of Aioi Insurance Co., Ltd.	
	April 2010 Representative Director, Vice President, and Executive Officer of Aioi Insurance Co., Ltd.	
	Oct. 2010 Director, Vice President, Executive Officer, General Manager of Sales Development Division, and General Manager of Retail Sales Development Division of Aioi Nissay Dowa Insurance Co., Ltd.	
	April 2011 Director, Vice President, Executive Officer, and General Manager of Sales Development Division of Aioi Nissay Dowa Insurance Co., Ltd.	
	April 2013 Director, Vice President, Executive Officer, and General Manager of Regional Sales Promoting Division of Aioi Nissay Dowa Insurance Co., Ltd.	
	April 2014 Adviser of Aioi Nissay Dowa Insurance Co., Ltd. (Retired in March 2015)	

1. The candidate has no special interest in the Company.
2. Mr. Hiroaki Nagasue is a candidate for Outside Statutory Auditor.
3. The Company selected Mr. Hiroaki Nagasue as a candidate for Outside Statutory Auditor because of his ample experience and knowledge developed through his past career as a business manager, which the Company deems can be applied to appropriately audit the management of the Company.
4. If the election of Mr. Hiroaki Nagasue is approved, the Company will enter into an individual agreement with Mr. Hiroaki Nagasue to limit 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.

### 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.

This Third Item of Business will take effect on the condition that Mr. Hideaki Asayama resigns from his position as the Company's Statutory Auditor as of the end of this Ordinary General Meeting of Shareholders.

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)	
Jan. 2015 Outside Statutory Auditor of the Company (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, accounting, and management auditing, which the Company deems can be applied to adequately perform the role of auditing regarding the management of the Company.
4. Currently, Mr. Hideaki Asayama is the Company's Statutory Auditor, and he will have served for five (5) months as Statutory Auditor as of the end of this Ordinary General Meeting of Shareholders.
5. The Company has entered into an individual agreement with Mr. Hideaki Asayama to limit 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. If Hideaki Asayama assumes the office of a Statutory Auditor, the Company will enter into the same type of individual agreement again with Mr. Hideaki Asayama.

— 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/>

- (2) The deadline for exercising voting rights is 5:45 p.m. on Thursday, June 25, 2015, 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) is 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.

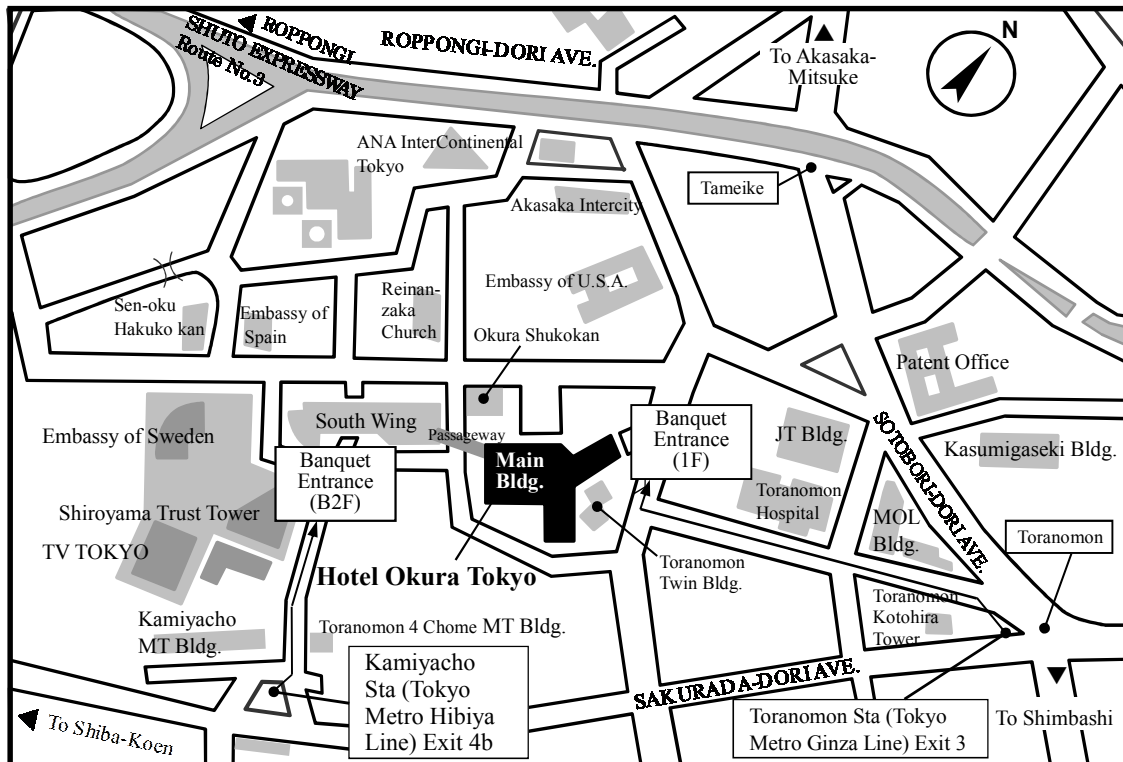
## Access to the Meeting Room of the 17th Ordinary General Meeting of Shareholders

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