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SBI HOLDINGS, INC.

(Incorporated in Japan with limited liability)

(Stock Code: 6488)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 March 2011 AND RESUMPTION OF TRADING

The board of directors (the “Directors”) of SBI HOLDINGS, INC. (the “Company”) is pleased to announce the consolidated results of the Company and its consolidated subsidiaries (collectively the “Group”) for the year ended 31 March 2011 together with the comparative figures for the year ended 31 March 2010.

At the request of the Company, trading in its Hong Kong depositary receipts was suspended with effect from 1:30 p.m. on Wednesday, 27 April 2011, pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depositary receipts with effect from 9:00 a.m. on Thursday, 28 April 2011.

(Amounts are rounded down to the nearest million Japanese yen)

1. Consolidated Financial Results of Fiscal year ended 31 March 2011 (1 April 2010 to 31 March 2011)

(1) Consolidated Operating Results

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended 31 March 2011	141,081	13.3	8,932	160.3	3,525	216.8	4,534	93.0
Fiscal year ended 31 March 2010	124,541	(4.9)	3,431	(22.1)	1,112	—	2,350	—

Notes: Total comprehensive income Fiscal year ended 31 March 2011: (6,471) million yen (—%)
Fiscal year ended 31 March 2010: 6,124 million yen (—%)

	Net income per share	Diluted net income per share	Return on equity	Return on asset (ordinary income)	Operating income / Net sales
	<i>Yen</i>	<i>Yen</i>	<i>%</i>	<i>%</i>	<i>%</i>
Fiscal year ended 31 March 2011	236.09	225.74	1.2	0.3	6.3
Fiscal year ended 31 March 2010	140.30	116.84	0.7	0.1	2.8

Notes: Share of results of affiliates Fiscal year ended 31 March 2011: 163 million yen
Fiscal year ended 31 March 2010: (98) million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Ratio of shareholder's equity to total assets	Net assets per share
	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>%</i>	<i>Yen</i>
Fiscal year ended 31 March 2011	1,293,606	456,982	30.2	19,610.64
Fiscal year ended 31 March 2010	1,229,939	428,615	29.2	21,424.02

Notes: Shareholders' equity Fiscal year ended 31 March 2011: 390,828 million yen
Fiscal year ended 31 March 2010: 359,230 million yen

(3) Consolidated Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalent — End of year
	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>Millions of yen</i>
Fiscal year ended 31 March 2011	(742)	(16,642)	25,154	148,786
Fiscal year ended 31 March 2010	(53,134)	(15,563)	84,599	142,581

2. Dividends

(Record date)	Dividend per share					Total dividend (annual)	Payout ratio (cons.)	Ratio of dividend to net assets (cons.)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Full year			
	<i>Yen</i>	<i>Yen</i>	<i>Yen</i>	<i>Yen</i>	<i>Yen</i>	<i>Millions of yen</i>	<i>%</i>	<i>%</i>
Fiscal year ended 31 March 2010	—	—	—	100.00	100.00	1,676	71.3	0.5
Fiscal year ended 31 March 2011	—	—	—	120.00	120.00	2,391	50.8	0.6
Fiscal year ended 31 March 2012 (forecast)	—	—	—	—	—	—	—	—

Notes: Scheduled dividend for Fiscal year ended 31 March 2011 includes a dividend of ¥20.00 commemorating our listing on the Hong Kong Exchanges and Clearing. Fiscal year ended 31 March 2012 forecast is to be determined.

3. Total number of shares outstanding (Common stock)

(1) Number of shares outstanding (including treasury stock) at the end of Fiscal year:	Fiscal year ended 31 March 2011:	19,944,018 shares
	Fiscal year ended 31 March 2010:	16,782,291 shares
(2) Number of treasury stock at the end of Fiscal year:	Fiscal year ended 31 March 2011:	14,621 shares
	Fiscal year ended 31 March 2010:	14,621 shares
(3) Average number of shares outstanding during Fiscal year:	Fiscal year ended 31 March 2011:	19,207,974 shares
	Fiscal year ended 31 March 2010:	16,750,591 shares

(Reference)

Non-consolidated Financial Results of Fiscal year ended 31 March 2011 (1 April 2010 to 31 March 2011)

(1) Non-consolidated Operating Results (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	<i>Millions of yen</i>	<i>%</i>	<i>Millions of yen</i>	<i>%</i>	<i>Millions of yen</i>	<i>%</i>	<i>Millions of yen</i>	<i>%</i>
Fiscal year ended 31 March 2011	28,191	(3.1)	4,767	630.6	1,353	—	9,101	158.6
Fiscal year ended 31 March 2010	29,106	22.9	652	(81.3)	(1,126)	—	3,519	—

	Net income per share	Diluted net income per share
	<i>Yen</i>	<i>Yen</i>
Fiscal year ended 31 March 2011	473.84	473.33
Fiscal year ended 31 March 2010	210.11	209.49

(2) *Non-consolidated Financial Position*

	Total assets	Net assets	Ratio of shareholder's equity to total assets	Net assets per share
	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>%</i>	<i>Yen</i>
Fiscal year ended 31 March 2011	535,355	319,755	59.7	16,044.40
Fiscal year ended 31 March 2010	500,996	281,972	56.3	16,816.46

Notes: Shareholders' equity Fiscal year ended 31 March 2011: 319,755 million yen

Fiscal year ended 31 March 2010: 281,972 million yen

1. **Business Results**

(1) *Analysis of Business Results for the Fiscal Year*

During the consolidated fiscal year ended 31 March 2011, while Japan's economic environment remained severe with continuing high unemployment rate, there were signs of partial recovery as consumer spending strengthened in some segments and corporate performance improved in part primarily among companies positioned to mark growth in overseas namely in Asia. However, the powerful earthquake that struck off the Pacific coast of northeastern Japan on 11 March 2011 caused production and consumption activities to rapidly weaken through the fiscal year-end, and there are serious concerns that the aftermath of the disaster will linger going forward.

Stock market conditions that significantly impact investment and securities-related businesses remained generally weak in Japan although the market began to look upward after hitting the bottom in the second quarter of the fiscal year. After the March earthquake, however, the stock market trembled considerably and the Nikkei Stock Average as of the fiscal year-end fell 12% year-on-year. Individual stock brokerage trading value declined 16% from a year before. Meanwhile, the emerging stock markets with high growth potential remained relatively strong despite showing signs of instability at times impacted by global conditions, and there were actively new listings on the markets.

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

The consolidated performance for the fiscal year ended 31 March 2011 resulted in net sales of ¥141,081 million (a 13.3% year-on-year increase), operating income of ¥8,932 million (a 160.3% year-on-year increase), ordinary income of ¥3,525 million (a 216.8% year-on-year increase), and net income of ¥4,534 million (a 93.0% year-on-year increase).

Net sales by business segment are as indicated below. Effective for the fiscal year ended 31 March 2011, we adopted “Accounting Standard for Segment Information Disclosures.” (The Accounting Standards Board of Japan (“ASBJ”) Statement No. 17; 27 March 2009) and “Guidance on Accounting Standard for Segment Information Disclosure.” (ASBJ Guidance No. 20; 21 March 2008), and the net sales below assume the application of the standards also for the results of the fiscal year ended 31 March 2010.

Segment	Year Ended 31 March 2010 (From 1 April 2009 to 31 March 2010)		Year Ended 31 March 2011 (From 1 April 2010 to 31 March 2011)	
	Millions of Yen	%	Millions of Yen	%
Asset Management Business	20,189	16.2	30,701	21.8
Investment in Securities	17,374		28,475	
Revenue from Operational Investment Securities	16,103		27,127	
Fees from Funds	1,270		1,348	
Investment Advisory Services Fees and Others	2,815		2,225	
Brokerage & Investment Banking Business	50,122	40.2	47,873	33.9
Financial Services Business	25,605	20.6	30,530	21.6
Marketplace Business	5,733		5,699	
Financial Products Business	8,462		9,300	
Financial Solutions Business	5,519		8,309	
Other Businesses	5,890		7,220	
Housing and Real Estate Business	17,153	13.8	23,467	16.6
Real Estate Business	6,522		10,320	
Financial Real Estate Business	9,110		11,646	
Lifestyle Networks Business	1,520		1,500	
Sub-total	113,071	90.8	132,573	93.9
Others	16,889	13.6	15,631	11.1
Inter-segment revenues	(5,419)	(4.4)	(7,122)	(5.0)
Net sales	124,541	100.0	141,081	100.0

(Note)

1. Figures are rounded down to the nearest million.
2. The "Others" column includes revenues in businesses not determined as reportable segments.

<Net Sales>

1) *Asset Management Business*

In the Asset Management Business net sales come from two major business categories, the Investment in Securities Business and the Investment Advisory Services/ Other Businesses.

(Investment in Securities Business)

The Group invests in venture capital companies in various industries both inside and outside of Japan, such as IT, biotechnology, environment and energy, and financial sectors. Revenues come from two main sources in the investment in securities business: (1) “revenue from operational investment securities”, which is derived from the sale of operational investment securities held for the purpose of securing capital gains, and (2) “fees from funds”, which are revenues comprised of fund establishment fees, fund management fees and success fees that are based on a fund’s performance. When the Company or its consolidated subsidiaries invest in a fund operated by the Group, all net sales from the funds under the scope of consolidation, including the revenues corresponding to the stakes of other investors, are booked as revenue from operational investment securities.

In the consolidated fiscal year, revenue from operational investment securities increased 68.5% year-on-year to ¥27,127 million. This primarily reflected revenues of overseas funds, such as New Horizon Fund, L.P. Revenue from fees from funds amounted to ¥1,348 million (up 6.1% year-on-year), which primarily reflected management fees from SBI BROADBAND CAPITAL Silent Partnership and the SBI BB Media Investment Limited Partnership.

(Investment Advisory Services and Other Businesses)

Net sales from investment advisory services and other businesses declined 21.0% year-on-year to ¥2,225 million for the consolidated fiscal year. Revenues mainly came from investment trust management fees and interest income from operational loans receivable.

2) *Brokerage & Investment Banking Business*

Net sales in the Brokerage & Investment Banking Business are derived mainly from brokerage commission from securities transactions, underwriting and sales fees for initial public offerings, commissions from placement and sales of stock, and net trading income and financial revenue from spread on foreign exchange margin transactions and the like.

In the consolidated fiscal year, net sales in this business decreased 4.5% year-on-year to ¥47,873 million, which was primarily generated by SBI SECURITIES Co., Ltd. and SBI Liquidity Market Co., Ltd.

3) *Financial Services Business*

Net sales in the Financial Services Business are comprised of revenues generated in four business components: the Marketplace Business, the Financial Products Business and the Financial Solutions Business and Other Businesses.

(Marketplace Business)

In this business, the Group operates various finance-related comparison websites such as “InsWeb”, an insurance portal site, and “E-LOAN”, to offer a marketplace of services that enable consumers to search and compare information on financial products and services online.

In the consolidated fiscal year, net sales in the Marketplace Business declined 0.6% year-on-year to ¥5,699 million, which were primarily posted by the Company.

(Financial Products Business)

In the Financial Products Business, we provide a wide range of financial products and services including credit cards, comprehensive leasing services, auto loans and guarantee services, management and collection of specified monetary claims, and receipt financing that involves medical care payment receivable factoring and providing funds.

In the consolidated fiscal year, net sales in the Financial Products Business rose 9.9% year-on-year to ¥9,300 million. These revenues were posted by SBI Card Co., Ltd., SBI Lease Co., Ltd., SBI Credit Co., Ltd. (the former G-ONE Credit Services Co., Ltd.), SBI Servicer Co., Ltd. and SBI Receipt Co., Ltd.

(Financial Solutions Business)

In the Financial Solution Business, we mainly provide online settlement services for EC business operators and call center services for financial institutions.

In the consolidated fiscal year, net sales in this business rose 50.5% year-on-year to ¥8,309 million. This revenue was primarily generated by SBI VeriTrans Co., Ltd. and SBI Business Support Co., Ltd.

(Other Businesses)

In the category of Other Businesses, the Group is primarily engaged in the non-life insurance business with the Internet being the key service channel and the business of providing information on evaluations of financial products, particularly investment trusts, online.

Net sales in this category increased 22.6% year-on-year to ¥7,220 million in the consolidated fiscal year. Revenues were mainly generated by SBI Insurance Co., Ltd. and Morningstar Japan K.K.

4) ***Housing and Real Estate Business***

In the Housing and Real Estate Business, net sales come from the Real Estate Business, the Financial Real Estate Business and the Lifestyle Networks Business.

(Real Estate Business)

In the Real Estate Business, we are primarily engaged in the development and sale of properties for investment purposes, planning and design services associated with investment properties, and advisory services for constructions and real estate.

In the consolidated fiscal year, net sales rose 58.2% year-on-year to ¥10,320 million. This was primarily generated by SBI Life Living Co., Ltd.

(Financial Real Estate Business)

The Financial Real Estate Business involves provision of housing loans and real estate secured loans.

Net sales in this business increased 27.8% from the previous consolidated fiscal year to ¥11,646 million. The revenues primarily come from SBI Mortgage Co., Ltd. and CEM Corporation.

(Lifestyle Networks Business)

In the Lifestyle Networks Business, we are mainly engaged in the operation of websites for online intermediary services and comparison and estimate service.

Net sales for the consolidated fiscal year declined 1.3% year-on-year to ¥1,500 million.

Net sales by business segment indicated are before eliminations of intersegment revenues.

<Cost of Sales>

1) ***Asset Management Business***

In the consolidated fiscal year, cost of sales for the Asset Management Business increased 16.3% year-on-year to ¥17,713 million, the primary component of which was cost of operational investment securities.

2) ***Brokerage & Investment Banking Business***

Cost of sales for this business increased 18.6% year-on-year to ¥4,956 million, which were comprised primarily of financing costs such as interest expenses and financial expenses associated with margin or lending transactions.

3) ***Financial Services Business***

In the consolidated fiscal year, cost of sales for this business increased 25.1% year-on-year to ¥22,938 million, related primarily to lease operating costs.

4) ***Housing and Real Estate Business***

Operating costs for this business increased 23.9% year-on-year to ¥11,199 million during the consolidated fiscal year. The costs were primarily sales cost of real estate for sale.

Operating costs by business segment are results before eliminations of intersegment costs.

<Selling, General and Administrative Expenses>

During the consolidated fiscal year, selling, general and administrative expenses amounted to ¥64,613 million, up 4.3% year-on-year, and consisted primarily of personnel expenses and securities system outsourcing costs.

<Non-operating Income>

Non-operating income for the consolidated fiscal year amounted to ¥1,186 million, up 0.1% year-on-year. This was primarily interest income and dividend income.

<Non-operating Expenses>

Non-operating expenses rose 88.1% from the previous consolidated fiscal year to ¥6,593 million, consisting primarily of interest expenses and foreign exchange loss.

<Extraordinary Income>

During the consolidated fiscal year, extraordinary income rose 189.0% year-on-year to ¥10,018 million. This was mainly gain on sales of investment securities.

<Extraordinary Loss>

Extraordinary loss increased 121.8% from the previous consolidated fiscal year to ¥8,113 million. This consisted primarily of provision of allowance for doubtful accounts.

(2) *Analysis of Financial Conditions*

As of 31 March 2011, total assets stood at ¥1,293,606 million, up ¥63,666 million from the end of the previous consolidated fiscal year. Net assets amounted to ¥456,982 million, up ¥28,367 million from a year earlier, owing primarily to the issuance of new shares under an offering in which the payment date was 23 June 2010.

Cash and cash equivalents as at the end of the consolidated fiscal year totaled ¥148,786 million, up ¥6,204 million compared with the balance of ¥142,581 million a year earlier. The following is a summary of cash flows and underlying factors.

(Net Cash Used in Operating Activities)

Net cash used in operating activities totaled ¥742 million, compared with net cash used in of ¥53,134 million in the previous consolidated fiscal year. This mainly reflected the cash outflow of ¥35,988 million for increase in operational investment and of ¥18,000 million for increase in cash segregated as deposits against the cash inflow of ¥26,760 million for increase in guarantee deposits received, of ¥6,341 million for increase in deposits from customers, and of ¥4,962 million for increase in margin transaction assets/liabilities.

(Net Cash Used in Investing Activities)

Net cash used in investing activities totaled ¥16,642 million, compared with net cash used in the previous consolidated fiscal year of ¥15,563 million. This was mainly attributable to cash outflows of ¥13,621 million for purchases of investment securities, and ¥22,069 million for payments of loans receivable despite cash inflows of ¥11,212 million for proceeds from sales of investment securities, and of ¥15,496 million in collection of loans receivable.

(Net Cash from Financing Activities)

Net cash from financing activities totaled ¥25,154 million, compared with net cash from financing activities in the previous consolidated fiscal year of ¥84,599 million. This mainly reflected cash inflow of ¥71,019 million for proceeds from issuance of bonds payable, an increase in short-term loans payable in the amount of ¥39,259 million, and a proceeds from stock issuance of ¥35,698 million, despite the cash outflow of ¥113,100 million for redemption of bonds payable.

(3) *Basic Policy on Profit Distribution and Dividends for Fiscal Year Ended 31 March 2011 and Fiscal Year Ending 31 March 2012*

The basic profit distribution policy of the Company is to target a payout ratio of 20% to 50% of its consolidated net income on a once annual year-end dividend payment. With a general rule to provide a dividend of at least 20%, the Company will aim to heighten the payout ratio up to 50% if it determines based on a comprehensive consideration, including projecting the future business conditions, that a higher distribution is possible while securing sufficient retained earnings for sustainable growth.

In accordance with this policy, the ordinary dividend for the consolidated fiscal year ended 31 March 2011 was set at ¥100. In addition, a dividend of ¥20 commemorating our listing on the Hong Kong Exchanges and Clearing in April 2011 (listing of Hong Kong Depository Receipts sourced by the shares of common stock of the Company on the Main Board of the Hong Kong Exchanges and Clearing) is provided, resulting in an scheduled annual dividend of ¥120 per share as at the end of the consolidated fiscal year.

2. Corporate Group

As of 31 March 2011, the Group included the Company, 112 consolidated subsidiaries and 9 affiliated companies accounted for under the equity method. Business descriptions and major group companies are as follows.

Business segments are identical to those indicated in “Notes to the Financial Statements; Segment information”.

Business Segment	Business Description	Major Business Activities	Major Companies
Asset Management Business	Management and operation of investment partnerships	Establishment, management and operation of funds that mainly invest in IT, biotechnology, environment and energy and financial sectors inside and outside of Japan	SBI Investment Co., Ltd. SBI BROADBAND CAPITAL Co., Ltd. SBI CAPITAL Co., Ltd. SBI Capital Solutions Co., Ltd.
	Investment in venture companies inside and outside of Japan	Proprietary investments by the Company and its consolidated subsidiaries in venture companies inside and outside of Japan	SBI Holdings, Inc. SBI BROADBAND FUND No1 LIMITED PARTNERSHIP SBI BB Mobile Investment LPS SBI Value Up Fund No. 1 Limited Partnership SBI VEN HOLDINGS PTE. LTD. SBI KOREA HOLDINGS CO., LTD ·
	Investment advisory and other businesses	Investment management and advisory services based on the Financial Instruments and Exchange Act	SBI Asset Management Co., Ltd.
Brokerage & Investment Banking Business	Securities related businesses	Provision of financial products such as securities that meet the diverse needs of investors, underwriting of IPO stocks and corporate bonds by leveraging the capabilities to attract customers and sell products in the brokerage business, and other investment banking business activities	SBI SECURITIES Co., Ltd. SBI Liquidity Market Co., Ltd. SBI Japannext Co., Ltd. (Note 1)

Business Segment	Business Description	Major Business Activities	Major Companies
Financial Services Business	Marketplace business	Operations of various websites mainly for comparing insurance and loan products	SBI Holdings, Inc. (InsWeb Business Division and E-LOAN Business Division)
	Financial products business	Provision of a wide range of financial services including banking, credit cards, and leasing	SBI Sumishin Net Bank, Ltd. (Note 1) SBI Card Co., Ltd. SBI Lease Co., Ltd.
	Financial solutions business	Online settlement services for EC business operators	SBI VeriTrans Co., Ltd.
	Other businesses	Provision of evaluation of nonlife insurance products and investment trusts	SBI Insurance Co., Ltd. Morningstar Japan K.K.
Housing and Real Estate Business	Real estate business	Real estate investment, real estate development, consignment of constructions, subdivision of housing, operation of real estate funds and other	SBI Holdings, Inc. (Real Estate Business Headquarters) SBI Life Living Co., Ltd.
	Financial real estate business	Provision of housing loans and related agency services, and real estate secured loans	SBI Mortgage Co., Ltd. CEM Corporation
	Lifestyle networks business	Operation of websites for comparison, search and estimate of various products and services	SBI Life Living Co., Ltd.
Other (Note 2)	System-related business, pharmaceutical business and other	Financial systems business, and research and development of pharmaceutical products, cosmetics and health foods	SBI Net Systems Co., Ltd. SBI ALApromo Co., Ltd.

(Notes)

1. A company accounted for under the equity method.
2. “Other” includes businesses not determined as reportable segments.

3. *Management Policy*

(1) *Basic Management Policy of the Company*

The Group's core businesses are the Asset Management Business primarily involving the operation of funds both inside and outside of Japan, the Brokerage & Investment Banking Business centered on the securities business, the Financial Services Business offering a wide range of financial services, and the Housing and Real Estate Business mainly involving housing loans and real estate investments. The Group will be committed to creating more innovative services and businesses for our customers and investors, and maximize corporate value, which represents the aggregate of customers value, shareholder value and human capital value.

The Group consistently continues to base its organizational development on three fundamental concepts: (1) adherence to the "customer-centric principle", (2) development of "structural differentiation", and (3) formation of "business ecosystem". Adherence to the "customer-centric principle" signifies being committed to offering services that truly accommodate the needs of customers, which include services at the lowest commission rates and the most attractive interest rates, at-a-glance comparison of financial products, attractive investment opportunities, services offering high safety and reliability, and provision of abundant and high-quality financial content. In the Internet Age, where the concept has drastically changed, customer needs have become so diverse that their satisfaction cannot be attained simply through differentiation of price or quality of products and services. Development of "structural differentiation" refers to creating a unique "structure" that enables the Group to respond to such changes and satisfy the varying needs of customers as well as offer value based on the full utilization of the structural network. Creation of "business ecosystem" aims at promoting positive synergistic effects among constituent companies, which creates a mutual evolution process with the each of the respective markets where companies operate to support rapid growth. The Group will manage its businesses by emphasizing the formation of a "business ecosystem" that enhances the network value through promoting interactions among the Group companies as well as with other corporate groups inside and outside of Japan.

(2) *Management Issues and Future Policies*

The Group has completed the creation of a business structure in Japan as a comprehensive financial conglomerate centered on Internet-based financial services. In overseas, the Group has been rapidly expanding its investment business and establishing an investment framework primarily 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 on Internet financial services fostered through our businesses in Japan. By so doing, we expect to become a comprehensive financial group that can make contributions globally with a focus in Asia.

The Company became the first listed company in Japan to be listed on the Main Board market of the Hong Kong Exchanges and Clearing on 14 April 2011. We will maximize this opportunity to enhance our credibility and recognition in Asia to further develop businesses of the Group.

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 further provoking synergistic effects among businesses we have developed in the Group.

In the Asset Management Business, we recognize that a high priority lies in expanding our investments in emerging countries, primarily in Asia, and establishing an effective investment system. The Company will pursue setting up funds jointly with our leading local partners while monitoring the economic conditions of such countries as we continue to push establishment and penetration of our global network. We pursue private equity investment by identifying targets and concentrating our investments in growth areas in the aim to contribute in developing industries while benefiting from high investment performance. The Group will continue to invest in four key areas of IT, biotechnology, environment and energy, and finance going ahead. In the financial sectors, we will transfer the know-how of the Group and pursue direct investment in overseas financial institutions by which we can expect to enhance the value of corporations we invest in. The Group will also invest in and finance

corporations of varying sizes and in different phases of development through operating buy-out and mezzanine funds. In undertaking these business activities, the Group will strive for further growth by continuing to aggressively utilizing the resources both inside and outside of the Group and heightening the performance of the funds we operate as we promptly improve the corporate value of companies we invest in.

In the Brokerage & Investment Banking Business, we will aim to achieve greater growth even under unstable conditions in the Japanese stock markets. SBI SECURITIES Co., Ltd. will continue to expand its overseas product lineups and strengthen foreign exchange transactions and further enhance its call center operations that receive high recognition from evaluating agencies in heightening its service level even more. We will also promote integration of “net” and “real” channels and actively make use of the intermediary business to continue expanding the face-to-face channel while achieving effective cost reductions. Furthermore, in the aim to maximizing synergies within the financial conglomerate, the Company will tighten grips with financial companies in the Group, in particular with SBI Sumishin Net Bank, Ltd., to develop the Group’s Internet-based one-stop financial service system. In the consolidated fiscal year, PTS (proprietary trading system) of high public nature operated by SBI Japannext Co., Ltd. posted a considerable increase in trading value. Going forward, we will aim to handle a greater trading value by primarily increasing participants and improving liquidity. SBI Liquidity Market Co., Ltd., which began operation in November 2008, provides liquidity and market infrastructure for FX transactions to SBI SECURITIES Co., Ltd. The firm will make improvements to the transaction environment, enhance liquidity as well as provide services to parties outside of the Group in the aim to further diversify sources of revenue in this business.

In the Financial Services Business, we established SBI Sumishin Net Bank, Ltd., SBI Insurance Co., Ltd. and other new companies during 2007 to 2008 for undertaking new businesses in our aim to build an earning structure that does not depend solely on stock markets. It is our key objective to further developing these businesses by provoking stronger synergistic effects among Group companies. In the Marketplace Business centered on operation of comparison websites such as “InsWeb” and “E-LOAN”, we must continue to expand our service lineups including enhancing content and improving functions. Additionally, in striving for higher growth, we see the need to push development of Morningstar Japan K.K., which continues to expand its services and channel offering, supported by the growing asset management needs, and SBI VeriTrans Co., Ltd., that has begun moving ahead with the Chinese business on the backdrop of the expansion in EC and credit card markets.

In the Housing and Real Estate Business, we will pursue real estate development while monitoring market conditions, through making efforts to capture business opportunities and to diversify and stabilize revenues. In the financial real estate category, SBI Mortgage Co., Ltd. has established its own brand as a provider of housing loans with low, all-term fixed interest rates. We will continue to enhance “SBI Money Plaza”, a franchise-based face-to-face channel to continue attracting customers and increasing loan drawdowns. In the lifestyle networks business category under this Business, we are determined to focus our efforts in operating brokering sites to provide useful, attractive services in assisting consumers at every stage and major event of their lives.

With a view to making a big step forward in our overseas business activities by further spurring synergies among companies within the Group, we will pursue our “Pentagon Management” strategy for the financial services business as follows.

1. Position five core businesses from the Group’s financial business ecosystem, which are securities, banking, nonlife insurance, life insurance and payment settlement services
2. Aim for exponential growth of the overall Group by driving interactions and provoking synergistic effects among core businesses.
3. With each of the core businesses in the center, place related companies and businesses as support functions around the businesses, and persist in promoting synergies among the core business to differentiate the Group from competing companies and stretch growth.
4. Expand SBI Money Plaza and other “real” channels nationwide as the infrastructure business that accelerates growth of the five core businesses and promote harmony between “net” and “real” channels. Simultaneously provide a selection of competitive products to customers by taking a “neutral position” regardless of being inside or outside the Group to become “Japan’s largest financial products distributor”.
5. Transfer the systems and know-how of the Group’s core businesses accumulated in Japan to emerging countries in accordance with the phase of economic development to develop the financial services business in those countries.

Furthermore, in July 2010, the Group launched a concept called the “Brilliant Cut Initiative”. By modeling the Group companies and businesses on facets of a diamond, namely a “58 brilliant-cut diamond”, known to be the brightest and the

most beautiful with each of the faucets giving the best shine when cut this way. The 58 major companies and business entities of the Group's business ecosystem reflect the 58 faucets of a brilliant-cut diamond, which together shine most beautifully as one. In the aim to give out the best shine as a Group, we will pursue the "brilliant-cut" initiative in shifting our management emphasis from the traditional group-wide expansion to profitability.

Under the "brilliant-cut" strategy, we will pursue the following three basic policies in the next three years.

Companies and businesses in the black:

Further expand profits through the pursuit of mutual synergies

Companies and businesses in the red:

Aim to be in the black within the next three years (for companies to be newly founded, in three years after establishment) by making effective use of Group resources and more aggressively pursuing Group-wide synergies

- * Any company or business not expected to be in the black will be dissolved or sold as a general rule.
- New establishments: With the exception of companies currently in the process of founding, no new company will be established.
- Acquisition: Limited only to profitable companies and cases that can be expected to promote strong synergies with the existing companies in the Group's business ecosystem.

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 the rapid expansion of our 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 to already contribute 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.

4. CODE ON CORPORATE GOVERNANCE PRACTICE

(1) AUDIT COMMITTEE

We have not established Audit Committee as required by the Listing Rules so that our annual results have not been reviewed by the Audit Committee. The role performed by the audit committee established pursuant to the Listing Rules is carried out by a Board of Statutory Auditors of the Company in Japan. The specific roles and responsibilities of the Statutory Auditors and the Board of Statutory Auditors correspond closely to those required to be provided by an Audit Committee under the Listing Rules.

(2) REMUNERATION COMMITTEE

The Hong Kong Stock Exchange has confirmed that we do not need to strictly comply with paragraph B.1 of Appendix 14 of the Listing Rules in respect of establishment of a Remuneration Committee. As we have appointed a Board of Statutory Auditors, the Board of Directors performs the role of remuneration committee to determine the remuneration of Directors and senior management in accordance with the Companies Act and we will not put in place a separate committee.

Save for the situation described above relating to Audit Committee and Remuneration Committee and the relevant applicable provisions of Appendix 14 of the Listing rules, we complied with the code provisions stipulated in the Code on Corporate Governance Practices as set out in Appendix 14 to the Hong Kong Listing Rules, and have generally followed the recommended best practice according to the Code on Corporate Governance Practices.

5. FINANCIAL INFORMATION

(Amounts in millions of Japanese Yen, and are rounded down to the nearest million except for per share information, unless otherwise stated)

(1) CONSOLIDATED BALANCE SHEETS

	<i>Notes</i>	<u>As at 31 March</u>	
		<u>2010</u>	<u>2011</u>
Assets			
Current assets			
Cash and deposits		143,726	150,268
Notes and accounts receivable-trade		8,483	10,658
Leases receivable and lease investment assets		17,924	16,166
Short-term investment securities		240	292
Cash segregated as deposits		318,865	347,865
Operational investment securities	IV. 1	121,576	141,881
Allowance for investment losses		(8,424)	(9,108)
Operational investment securities - net ...		113,152	132,773
Operational loans receivable		34,694	27,905
Real estate inventories	IV. 2	28,767	16,812
Trading instruments	IV. 7	3,514	2,701
Loans on margin transactions.....		221,107	229,301
Cash collateral pledged for securities borrowings on margin transactions		40,533	21,098
Margin transaction assets		261,641	250,399
Short-term guarantee deposits		5,944	5,235
Deferred tax assets		7,667	14,243
Others		37,732	57,473
Allowance for doubtful accounts		(2,032)	(4,017)
Total current assets		<u>980,323</u>	<u>1,028,779</u>

		<u>As at 31 March</u>	
	<i>Notes</i>	<u>2010</u>	<u>2011</u>
Non-current assets			
Property and equipment			
Buildings		9,972	15,799
Accumulated depreciation		<u>(2,405)</u>	<u>(3,130)</u>
Buildings-net		<u>7,567</u>	<u>12,668</u>
Furniture and fixtures		5,079	4,972
Accumulated depreciation		<u>(3,585)</u>	<u>(3,546)</u>
Furniture and fixtures, net		<u>1,493</u>	<u>1,426</u>
Land		<u>7,556</u>	<u>10,908</u>
Others		4,503	4,825
Accumulated depreciation		<u>(506)</u>	<u>(1,397)</u>
Others-net		<u>3,996</u>	<u>3,427</u>
Total property and equipment		<u>20,613</u>	<u>28,431</u>
Intangible assets			
Software		11,670	13,378
Goodwill		133,008	126,297
Others		<u>608</u>	<u>567</u>
Total intangible assets		<u>145,286</u>	<u>140,244</u>
Investments and other assets			
Investment securities	IV. 3 & 12	41,204	53,378
Deferred tax assets		14,196	12,830
Others		34,860	36,108
Allowance for doubtful accounts		<u>(9,767)</u>	<u>(12,066)</u>
Total investments and other assets		<u>80,494</u>	<u>90,250</u>
Total non-current assets		<u>246,395</u>	<u>258,926</u>
Deferred charges			
Stock issuance costs		—	152
Bonds issuance costs		61	32
Deferred operating costs under Article 113 of the Insurance Business Act		<u>3,159</u>	<u>5,715</u>
Total deferred charges		<u>3,220</u>	<u>5,900</u>
Total assets		<u><u>1,229,939</u></u>	<u><u>1,293,606</u></u>

	<i>Notes</i>	As at 31 March	
		2010	2011
Liabilities			
Current liabilities			
Short-term loans payable		55,614	97,164
Current portion of long-term loans payable		13,368	12,147
Current portion of bonds payable		112,600	70,060
Accrued income taxes		4,953	4,574
Advances received	IV. 8	1,828	1,953
Borrowings on margin transactions		48,813	70,386
Cash received for securities lending on margin transactions		101,223	73,370
Margin transaction liabilities		150,036	143,757
Loans payable secured by securities		63,780	61,797
Guarantee deposits received		282,373	309,134
Deposits from customers		31,176	37,819
Accrued expenses		2,835	3,202
Deferred tax liabilities		2,959	3,219
Provision for bonuses		53	79
Other provisions		155	448
Others		25,353	35,237
Total current liabilities		747,090	780,597
Non-current Liabilities			
Bonds payable		—	540
Long-term loans payable		27,620	31,366
Deferred tax liabilities		540	424
Provision for retirement benefits		52	69
Other provisions		877	861
Others		17,924	17,567
Total non-current liabilities		47,014	50,828

		<u>As at 31 March</u>	
	<i>Notes</i>	<u>2010</u>	<u>2011</u>
Statutory reserves			
Reserve for financial products transaction liabilities		7,219	5,196
Reserve for price fluctuation.....		<u>0</u>	<u>0</u>
Total statutory reserves	IV. 9	<u>7,219</u>	<u>5,197</u>
Total liabilities		<u>801,324</u>	<u>836,623</u>
Net assets			
Shareholders' equity			
Capital stock		55,284	73,236
Capital surplus		218,968	236,920
Retained earnings		87,276	88,073
Treasury stock		<u>(246)</u>	<u>(246)</u>
Total shareholders' equity		<u>361,282</u>	<u>397,983</u>
Accumulated other comprehensive income (loss)			
Unrealized losses on available-for-sale securities		(559)	(3,902)
Deferred gains (losses) on hedges		14	(239)
Foreign currency translation adjustments ..		<u>(1,506)</u>	<u>(3,012)</u>
Total accumulated other comprehensive income (loss)		<u>(2,051)</u>	<u>(7,155)</u>
Stock acquisition rights		11	11
Minority interests		<u>69,372</u>	<u>66,142</u>
Total net assets		<u>428,615</u>	<u>456,982</u>
Total liabilities and net assets		<u>1,229,939</u>	<u>1,293,606</u>

**(2) CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE INCOME**

CONSOLIDATED STATEMENTS OF OPERATIONS

	<i>Notes</i>	Year ended 31 March	
		2010	2011
Net sales	V. 1	124,541	141,081
Cost of sales	V. 2	<u>59,138</u>	<u>67,535</u>
Gross profit		<u>65,403</u>	<u>73,546</u>
Selling, general and administrative expenses	V. 3 & 4	<u>61,971</u>	<u>64,613</u>
Operating income		<u>3,431</u>	<u>8,932</u>
Non-operating income			
Interest income		365	402
Dividend income		155	191
Share of results of affiliates		—	163
Refunded consumption taxes		188	—
Others		<u>476</u>	<u>429</u>
Total non-operating income		<u>1,185</u>	<u>1,186</u>
Non-operating expense			
Interest expense		1,960	2,705
Amortization of stock issuance costs		4	50
Amortization of bond issuance costs		60	90
Amortization of deferred operating costs under Article 113 of the Insurance Business Act		746	952
Share of results of affiliates		98	—
Foreign exchange losses		64	1,349
Others		<u>569</u>	<u>1,445</u>
Total non-operating expense		<u>3,504</u>	<u>6,593</u>
Ordinary income		<u>1,112</u>	<u>3,525</u>
Extraordinary income			
Gains on sales of investment securities		3,153	7,584
Reversal of allowance for doubtful accounts		40	68
Reversal of statutory reserves		33	2,022
Gains on the changes in interests in consolidated subsidiaries and equity method investees		185	63
Others		<u>55</u>	<u>279</u>
Total extraordinary income		<u>3,466</u>	<u>10,018</u>

		Year ended 31 March	
	<i>Notes</i>	2010	2011
Extraordinary expense			
Losses on sales of non-current assets	V. 5	0	—
Losses on retirement of non-current assets	V. 6	103	193
Impairment loss		—	861
Provision of allowance for doubtful accounts....		1,989	3,848
Provision of statutory reserves		0	0
Losses on sales of investment securities		237	66
Losses on valuation of investment securities		46	556
Goodwill amortization for equity method affiliates with significant losses		238	—
Losses on the changes in equity interest in consolidated subsidiaries and equity method investees		44	23
Losses on disposal of subsidiaries and affiliates		—	635
Impact from applying the Accounting Standard of Asset Retirement Obligation		—	501
Others		998	1,425
Total extraordinary expense		3,658	8,113
Income before income taxes		920	5,430
Income taxes-current		(9,095)	(10,120)
Income taxes-deferred		8,359	3,028
Total income taxes		(736)	(7,092)
Income (loss) before minority interests		184	(1,661)
Minority interests in loss		(2,165)	(6,196)
Net income		2,350	4,534

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Year ended 31 March	
	<i>Notes</i>	2010	2011
Loss before minority interests		—	(1,661)
Other comprehensive income (loss)			
Unrealized losses on available-for-sale securities		—	(3,042)
Deferred losses on hedges		—	(14)
Foreign currency translation adjustments		—	(1,219)
Share of other comprehensive income (loss) of affiliates accounted for using equity method ...		—	(533)
Total other comprehensive income (loss) for the year	VI.2	—	(4,809)
Total comprehensive income (loss) for the year ...	VI.1	—	(6,471)
Total comprehensive income (loss) for the year attributable to:			
- shareholders of the parent company		—	(364)
- minority interests		—	(6,106)

(3) CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

	<u>Year ended 31 March</u>		
	<i>Notes</i>	<u>2010</u>	<u>2011</u>
SHAREHOLDERS' EQUITY			
Capital stock			
Balance at the end of previous year		55,214	55,284
Changes during the year			
Issuance of new stock		<u>69</u>	<u>17,952</u>
Total changes during the year		<u>69</u>	<u>17,952</u>
Balance at the end of current year		<u>55,284</u>	<u>73,236</u>
Capital surplus			
Balance at the end of previous year		219,012	218,968
Changes during the year			
Issuance of new stock		69	17,952
Decrease through share exchanges		(112)	—
Disposal of treasury stock		<u>(0)</u>	<u>(0)</u>
Total changes during the year		<u>(43)</u>	<u>17,951</u>
Balance at the end of current year		<u>218,968</u>	<u>236,920</u>
Retained earnings			
Balance at the end of previous year		86,865	87,276
Changes during the year			
Dividends		(1,673)	(1,676)
Net income		2,350	4,534
Decrease through a merger		(194)	(224)
Adjustments due to change of scope of consolidation		217	(1,798)
Adjustments due to change of scope of equity method		<u>(290)</u>	<u>(37)</u>
Total changes during the year		<u>410</u>	<u>797</u>
Balance at the end of current year		<u>87,276</u>	<u>88,073</u>
Treasury stock			
Balance at the end of previous year		(636)	(246)
Changes during the year			
Disposal of treasury stock		<u>389</u>	<u>—</u>
Total changes during the year		<u>389</u>	<u>—</u>
Balance at the end of current year		<u>(246)</u>	<u>(246)</u>

	Year ended 31 March	
<i>Notes</i>	<u>2010</u>	<u>2011</u>
Total shareholders' equity		
Balance at the end of previous year	360,456	361,282
Changes during the year		
Issuance of new stock	138	35,904
Decrease through share exchanges	(112)	—
Dividends	(1,673)	(1,676)
Net income	2,350	4,534
Decrease due to merger	(194)	(224)
Adjustments due to change of scope of consolidation	217	(1,798)
Adjustments due to change of scope of equity method	(290)	(37)
Disposal of treasury stock	<u>388</u>	<u>(0)</u>
Total changes during the year	<u>825</u>	<u>36,701</u>
Balance at the end of current year.....	<u>361,282</u>	<u>397,983</u>
Accumulated other comprehensive income (loss)		
Unrealized losses on available-for-sale securities		
Balance at the end of previous year.....	(5,946)	(559)
Changes during the year		
Net changes other than shareholders' equity .	<u>5,387</u>	<u>(3,343)</u>
Total changes during the year	<u>5,387</u>	<u>(3,343)</u>
Balance at the end of current year.....	<u>(559)</u>	<u>(3,902)</u>
Deferred gains (losses) on hedges		
Balance at the end of previous year.....	(25)	14
Changes during the year		
Net changes other than shareholders' equity .	<u>40</u>	<u>(254)</u>
Total changes during the year	<u>40</u>	<u>(254)</u>
Balance at the end of current year.....	<u>14</u>	<u>(239)</u>
Foreign currency translation adjustments		
Balance at the end of previous year.....	(966)	(1,506)
Changes during the year		
Net changes other than shareholders' equity .	<u>(540)</u>	<u>(1,505)</u>
Total changes during the year	<u>(540)</u>	<u>(1,505)</u>
Balance at the end of current year.....	<u>(1,506)</u>	<u>(3,012)</u>

	Year ended 31 March		
	<i>Notes</i>	2010	2011
Total accumulated other comprehensive income (loss)			
Balance at the end of previous year		(6,937)	(2,051)
Changes during the year			
Net changes other than shareholders' equity ..		<u>4,886</u>	<u>(5,104)</u>
Total changes during the year		<u>4,886</u>	<u>(5,104)</u>
Balance at the end of current year.....		<u>(2,051)</u>	<u>(7,155)</u>
Stock acquisition rights			
Balance at the end of previous year		11	11
Changes during the year			
Net changes other than shareholders' equity ..		<u>(0)</u>	<u>(0)</u>
Total changes during the year		<u>(0)</u>	<u>(0)</u>
Balance at the end of current year.....		<u>11</u>	<u>11</u>
Minority interests			
Balance at the end of previous year		65,808	69,372
Changes during the year			
Net changes other than shareholders' equity ..		<u>3,564</u>	<u>(3,229)</u>
Total changes during the year		<u>3,564</u>	<u>(3,229)</u>
Balance at the end of current year.....		<u>69,372</u>	<u>66,142</u>
Total net assets			
Balance at the end of previous year		419,338	428,615
Changes during the year			
Issuance of new stock		138	35,904
Decrease through share exchanges		(112)	—
Dividends		(1,673)	(1,676)
Net income		2,350	4,534
Decrease through a merger		(194)	(224)
Adjustments due to change of scope of consolidation		217	(1,798)
Adjustments due to change of scope of equity method		(290)	(37)
Disposal of treasury stock		388	(0)
Net changes other than shareholders' equity ..		<u>8,450</u>	<u>(8,333)</u>
Total changes during the year		<u>9,276</u>	<u>28,367</u>
Balance at the end of current year.....		<u><u>428,615</u></u>	<u><u>456,982</u></u>

(4) CONSOLIDATED STATEMENTS OF CASH FLOWS

	<u>Year ended 31 March</u>		
	<i>Notes</i>	<u>2010</u>	<u>2011</u>
Net cash from (used in) operating activities			
Income before income taxes		920	5,430
Adjustments for:			
Depreciation and amortization		5,550	6,588
Amortization of goodwill		7,764	8,563
Increase in provision		8,038	11,451
Share of results of affiliates		98	(163)
Write-down of operational investment securities		602	1,618
Equity in earnings of funds		(1,174)	(2,793)
Gains on sales of investment securities		(2,915)	(7,517)
Losses on valuation of investment securities		46	556
Foreign exchange losses		275	3,333
Interest and dividend income		(17,456)	(16,587)
Interest expense		5,962	6,730
Changes in assets and liabilities:			
Increase in operational investment securities		(8,961)	(35,988)
Decrease in operational loans receivable		6,188	5,755
Decrease (increase) in real estate inventories ...		(2,036)	2,617
(Increase) decrease in notes and accounts receivable-trade		(1,302)	823
Increase in notes and accounts payable-trade ...		263	102
Increase in cash segregated as deposits		(12,962)	(18,000)
Increase in trading instruments		(1,486)	(2,326)
Increase (decrease) in margin transaction assets/liabilities		(77,074)	4,962
Increase in deposits from customers		7,357	6,341
Increase in guarantee deposits received		4,173	26,760
(Decrease) increase in loans payable secured by securities		17,193	(1,997)

	Year ended 31 March		
	<i>Notes</i>	2010	2011
Increase (decrease) in advances received		1,464	(890)
Others, net		<u>(1,614)</u>	<u>(4,127)</u>
Subtotal		<u>(61,085)</u>	<u>1,242</u>
Interest and dividend income received		17,747	17,168
Interest expense paid		(5,629)	(6,885)
Income taxes paid		<u>(4,167)</u>	<u>(12,267)</u>
Net cash used in operating activities		<u>(53,134)</u>	<u>(742)</u>
Net cash from (used in) investing activities			
Purchases of intangible assets		(7,043)	(4,767)
Purchases of investment securities		(7,653)	(13,621)
Proceeds from sales of investment securities		3,204	11,212
Proceeds from sales of investments in subsidiaries		28	249
Purchases of investments in subsidiaries resulting in change in scope of consolidation .		(260)	(99)
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation		2,540	—
Purchases of investments in subsidiaries		(3,753)	(177)
Payments of loans receivable		(15,756)	(22,069)
Collection of loans receivable		16,226	15,496
Payments for lease and guarantee deposits		(1,491)	(1,172)
Proceeds from collection of lease and guarantee deposits		1,347	483
Others, net		<u>(2,953)</u>	<u>(2,175)</u>
Net cash used in investing activities		<u>(15,563)</u>	<u>(16,642)</u>
Net cash from (used in) financing activities			
Increase in short-term loans payable		940	39,259
Proceeds from long-term loans payable		28,360	9,000
Repayment of long-term loans payable		(22,208)	(15,849)
Proceeds from issuance of bonds payable		122,218	71,019
Redemption of bonds payable		(51,480)	(113,100)
Proceeds from stock issuance		141	35,698
Proceeds from stock issuance to minority interests		1,023	1,797
Contributions from minority shareholders in consolidated investment funds		11,931	4,083

	<u>Year ended 31 March</u>	
<i>Notes</i>	<u>2010</u>	<u>2011</u>
Cash dividend paid	(1,681)	(1,673)
Cash dividend paid to minority shareholders	(218)	(225)
Distributions to minority shareholders in consolidated investment funds	(3,914)	(3,864)
Purchases of treasury stock	(13)	(4)
Others, net	<u>(499)</u>	<u>(985)</u>
Net cash from financing activities	<u>84,599</u>	<u>25,154</u>
Effect of changes in exchange rate on cash and cash equivalents	<u>(490)</u>	<u>(2,893)</u>
Net increase in cash and cash equivalents	<u>15,410</u>	<u>4,876</u>
Increase in cash and cash equivalents from newly consolidated subsidiaries	842	1,337
Decrease in cash and cash equivalents resulting from deconsolidation of subsidiaries	—	(28)
Increase in cash and cash equivalents resulting from merger	15	19
Cash and cash equivalents at beginning of Year ...	<u>126,312</u>	<u>142,581</u>
Cash and cash equivalents at end of year VIII.1	<u><u>142,581</u></u>	<u><u>148,786</u></u>

NOTES TO THE FINANCIAL STATEMENTS

I. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

1. The Group has adopted “Accounting Standard for Asset Retirement Obligation” (ASBJ Statement No. 18 issued on 31 March 2008) and “Guidance for Accounting Standard for Asset Retirement Obligation” (ASBJ Guidance No. 21 issued on 31 March 2008). The operating income and ordinary income was decreased by ¥89 million and the income (loss) before income taxes was decreased by ¥591 million for the year ended 31 March 2011 as a result of the change.
2. The Group has adopted “Accounting Standard for Business Combinations” (ASBJ Statement No.21 issued on 26 December 2008), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22 issued on 26 December 2008), “Partial amendments to Accounting Standard for Research and Development Costs” (ASBJ Statement No.23 issued on 26 December 2008), “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No.7 (Revised 2008) issued on 26 December 2008), “Revised Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No.16 (Revised 2008) released on 26 December 2008) and “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No.10 (Revised 2008) issued on 26 December 2008).

II. CHANGES IN PRESENTATION

“Impairment loss” was included in “Others” line of “Extraordinary expense” for the year ended 31 March 2010 and was separately presented for the year ended 31 March 2011, as the amount exceeds 10 percent of total amount of extraordinary expense. “Impairment loss” included in “Others” line of “Extraordinary expense” for the year ended 31 March 2010 amounted to ¥352 million.

III. ADDITIONAL INFORMATION

Execution of Share Exchange Agreement

The Company and its subsidiary, SBI VeriTrans Co., Ltd. (“SBI VeriTrans”), announced that at board meetings held on 24 February 2011, their respective boards of directors adopted resolutions to make SBI VeriTrans a wholly-owned subsidiary of the Company through a share exchange (the “Share Exchange”) subject to approval at SBI VeriTrans’ annual meeting of shareholders, and the two companies executed a share exchange agreement. Details concerning the transactions are provided below.

1. Timetable for the Share Exchange

Date of record of the annual shareholders meeting	31 March 2011
Annual shareholders meeting to approve share exchange (SBI VeriTrans)	21 June 2011 (scheduled)
Final trading date (SBI VeriTrans)	26 July 2011 (scheduled)
Share delisting date (SBI VeriTrans)	27 July 2011 (scheduled)
Share exchange date (effective date)	1 August 2011 (scheduled)

Note: The Company will implement the Share Exchange through the use of a simplified share exchange arrangement pursuant to Article 796, Paragraph 3 of the Companies Act, and consequently, the Company does not require approval from its shareholders.

2. Share Exchange Ratio

Company Name	The Company (Share Exchange Wholly-Owning Parent Company)	SBI VeriTrans (Share Exchange Wholly-Owned Subsidiary)
Share exchange ratio* ¹	1	4.7
Number of shares to be delivered for the Share Exchange	* ²	

Note 1: Share Exchange Ratio

For every one share of SBI VeriTrans common stock, 4.7 shares of the Company’s common stock will be allocated and delivered (if any material changes in the various conditions that serve as the basis for the calculations, this share exchange ratio may be subject to change through consultations between the two companies). However, no shares will be allocated pursuant to the Share Exchange with respect to the shares of SBI VeriTrans’ common stock held by the Company.

Note 2: Number of Shares to be Delivered Pursuant to the Share Exchange

In the implementation of the Share Exchange, the Company will newly issue and deliver shares of the Company’s common stock equal to the total number of shares of SBI VeriTrans’ common stock owned by shareholders of SBI VeriTrans (excluding the Company) stated or recorded in the SBI VeriTrans’ shareholder register immediately prior to the Share Exchange coming into effect multiplied by 4.7.

IV. NOTES TO CONSOLIDATED BALANCE SHEETS

1. Operational investment securities

As at 31 March 2010 and 2011, operational investment securities included investments in funds and direct investments. Investment in funds included in operational investment securities consisted of the following:

	As at 31 March	
	2010	2011
	<i>(millions of Yen)</i>	<i>(millions of Yen)</i>
New Horizon Capital, L.P	6,641	17,041
NEW HORIZON FUND, L.P	10,465	5,231
SBI & BDJB CHINA FUND, L.P	1,253	2,370
New Horizon Capital III, L.P	—	2,069
SBI BB MEDIA INVESTMENT LIMITED PARTNERSHIP	1,375	1,217
Others	<u>2,873</u>	<u>3,814</u>
Subtotal (Investments in funds)	22,608	31,746
Direct investments	<u>98,967</u>	<u>110,135</u>
Total	<u><u>121,576</u></u>	<u><u>141,881</u></u>

2. Real estate inventories

Real estate inventories consisted of the following:

	As at 31 March	
	2010	2011
	<i>(millions of Yen)</i>	<i>(millions of Yen)</i>
Real estate for sale	9,837	7,505
Real estate for sale in progress	7,926	7,083
Real estate for development	1,403	1,403
Beneficial interest in real estate investment trust	<u>9,601</u>	<u>821</u>
Total	<u><u>28,767</u></u>	<u><u>16,812</u></u>

3. Investments in unconsolidated subsidiaries and affiliates

Investments in unconsolidated subsidiaries and affiliates are as follows:

	As at 31 March	
	2010	2011
	(millions of Yen)	(millions of Yen)
Investment securities	29,956	43,463

4. Provision for contingent losses

(1) *Credit guarantees*

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

	As at 31 March	
	2010	2010
	(millions of Yen)	(millions of Yen)
Guarantee of bank loans	542	18,234

(2) *Other contingent losses*

On 28 July 2008, the Tokyo District Court made a decision to commence civil rehabilitation proceedings to ZEPHYR CO., LTD. ("ZPYR"). On 18 February 2009, ZPYR's restructuring plan was approved at the creditors' meeting and confirmed by the court.

As a result, the loan extended to ZPYR by SBI Incubation Co. Ltd. (a consolidated subsidiary of the Company, formerly known as, Partners Investment Co., Ltd. ("PTINV")) in the aggregate amount of ¥11,366 million as at 31 March 2009 is expected to recover through the disposal of real estate held as collateral to creditors. However, if there is an unrecoverable amount after the disposal of the real estate, the proceeds will be allocated using a percentage determined in the restructuring plan.

Partners Investment Co., Ltd was merged with SBI Incubation Co., Ltd., which was the surviving company in September 2009.

5. Off-balance sheet items — Fair values of the securities deposited in securities-related businesses

Securities deposited in securities-related businesses represented securities lent to customers under securities lending arrangements.

Fair values of the securities deposited in securities-related businesses are as follows:

	As at 31 March	
	2010	2011
	<i>(millions of Yen)</i>	<i>(millions of Yen)</i>
Securities loaned on margin transactions	108,452	73,267
Securities pledged for loans payable for margin transactions	49,619	71,241
Substitute securities for guarantee money paid	80,828	80,352
Securities loaned under loan agreement	<u>61,557</u>	<u>60,481</u>

6. Off-balance sheet items — Fair values of the securities received in securities-related businesses

Securities received in securities-related businesses represented securities borrowed by the Group under securities lending arrangements.

Fair values of the securities received in securities-related businesses are as follows:

	As at 31 March	
	2010	2011
	<i>(millions of Yen)</i>	<i>(millions of Yen)</i>
Securities pledged for loans receivable for margin transactions	216,132	211,846
Securities borrowed on margin transactions	41,084	20,976
Substitute securities for guarantee money received, which were agreed on as collateral for other transactions	216,883	250,092
Substitute securities for guarantee money received on futures	99	100
Others	<u>68,275</u>	<u>71,880</u>

7. Trading instruments

Trading instruments consisted of the following:

	As at 31 March	
	2010	2011
	<i>(millions of Yen) (millions of Yen)</i>	
Equity securities	0	28
Debt securities	901	188
Others	<u>125</u>	<u>4</u>
Subtotal	<u>1,027</u>	<u>222</u>
Derivatives	<u>2,487</u>	<u>2,479</u>
Total	<u><u>3,514</u></u>	<u><u>2,701</u></u>

8. Advances received

Advances received included advances for management fees from funds and other advances are as follows:

	As at 31 March	
	2010	2011
	<i>(millions of Yen) (millions of Yen)</i>	
SBI BB MEDIA INVESTMENT LIMITED PARTNERSHIP	157	—
SBI BROADBAND CAPITAL Silent Partnership	209	212
Other funds	<u>24</u>	<u>12</u>
Total management fees	391	224
Other advances received	<u>1,436</u>	<u>1,728</u>
Total	<u><u>1,828</u></u>	<u><u>1,953</u></u>

9. Statutory reserves

As at 31 March 2011, reserve for the financial products transaction liabilities was provided in accordance with Article 46-5 of Japanese Financial Instruments and Exchange Act. Statutory reserve for price fluctuations was in accordance with Article 115 of the Insurance Business Act.

10. Credit facilities provided

Several consolidated subsidiaries were engaged in retail loan business, cash advance business for credit cards, and financing corporate reorganization. The credit facilities provided in respect of these operations are as follows:

	As at 31 March	
	2010	2011
	(millions of Yen)	(millions of Yen)
Credit facilities	12,439	5,986
Utilised	<u>3,461</u>	<u>2,928</u>
Unused portion	<u>8,978</u>	<u>3,057</u>

It is noted that above credit facilities can be utilized if certain conditions are met. The purpose of borrowings and any rating changes of the customers may affect the withdrawal of credit facilities.

11. Lines of credit from financial institutions

To ensure an efficient operating funds procurement, the Group entered into or overdrafted facilities with 15 and 16 banks as at 31 March 2010 and 2011 respectively. Unused overdraft facilities at the end of the year are as follows:

	As at 31 March	
	2010	2011
	(millions of Yen)	(millions of Yen)
Lines of credit	123,909	160,700
Used balance	<u>43,230</u>	<u>84,424</u>
Unused portion	<u>80,679</u>	<u>76,276</u>

12. Allowance for investment losses deducted directly from assets consisted of the following:

	As at 31 March	
	2010	2011
	(millions of Yen)	(millions of Yen)
Investments securities	300	300

V. NOTES TO CONSOLIDATED STATEMENTS OF OPERATIONS

1. Gains (losses) on trading included in net sales consisted of the following:

	Year ended 31 March					
	2010			2011		
	<i>(millions of Yen)</i>			<i>(millions of Yen)</i>		
	Realized	Unrealized	Total	Realized	Unrealized	Total
Equity Securities	3	35	38	14	0	14
Debt Securities	195	41	237	1,307	(23)	1,284
Others	<u>11,120</u>	<u>296</u>	<u>11,417</u>	<u>8,984</u>	<u>1,628</u>	<u>10,613</u>
Total	<u>11,320</u>	<u>373</u>	<u>11,693</u>	<u>10,306</u>	<u>1,605</u>	<u>11,911</u>

Above trading gains (losses) included gains (losses) on certain businesses other than securities-related business of ¥81 million and ¥55 million for the years ended 31 March 2010 and 2011 respectively.

2. Costs of sales consisted of the following:

	Year ended 31 March	
	2010	2011
	<i>(millions of Yen) (millions of Yen)</i>	
Cost of sales arising from operational investment securities	7,805	7,031
Provision of allowance for operational investment securities losses	3,073	5,957
Financial charges	3,851	3,872
Cost of sales arising from real estate inventories	3,868	5,465
Others	<u>40,539</u>	<u>45,208</u>
Total	<u>59,138</u>	<u>67,535</u>

Cost of sales arising from operational investment securities included valuation losses of ¥702 million and ¥1,652 million for the years ended 31 March 2010 and 2011 respectively. Others included financial costs and payrolls related to net sales.

3. Selling, general and administrative expenses consisted of the following:

	Year ended 31 March	
	2010	2011
	<i>(millions of Yen) (millions of Yen)</i>	
Payroll and bonuses	9,970	10,552
Retirement benefit costs	25	28
Provision of allowance for doubtful accounts	2,140	2,407
Provision of bonuses	53	61
Outsourcing fees	10,412	11,188
Amortization of goodwill	7,764	7,889

4. Selling, general and administrative expenses included research and development costs of ¥447 million and ¥542 million for the years ended 31 March 2010 and 2011 respectively.

5. Losses on disposal of non-current assets consisted of the following:

	Year ended 31 March	
	2010	2011
	<i>(millions of Yen) (millions of Yen)</i>	
Furniture and fixtures	<u>0</u>	<u>—</u>
Total	<u><u>0</u></u>	<u><u>—</u></u>

6. Losses on retirement of non-current assets consisted of the following:

	Year ended 31 March	
	2010	2011
	<i>(millions of Yen) (millions of Yen)</i>	
Buildings	55	45
Furniture and fixtures	17	14
Other property and equipment	0	0
Software	26	128
Other intangible assets	<u>4</u>	<u>4</u>
Total	<u><u>103</u></u>	<u><u>193</u></u>

VI. NOTES TO CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 March 2010

1. Comprehensive income for the year attributable to:	(millions of Yen)
— shareholders of the parent company	7,384
— minority interests	<u>(1,260)</u>
Total	<u>6,124</u>
2. Other comprehensive income:	
Unrealized gains on available-for-sale securities	2,130
Deferred gains on hedges	41
Foreign currency translation adjustments	(402)
Share of other comprehensive income of affiliates accounted for using equity method	<u>4,169</u>
Total	<u>5,939</u>

The Group applied Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No.25) issued on 30 June 2010 from this fiscal year. The amount of “Valuation and translation adjustments” and “Total valuation and translation adjustments” recorded in the previous fiscal year are restated as “Accumulated other comprehensive loss” and “Total accumulated other comprehensive loss.”

VII. NOTES TO CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

1. Outstanding number of capital stock and treasury stock

Year ended 31 March 2010	As at	Increase	Decrease	As at
	31 March 2009			31 March 2010
	(share)	(share)	(share)	(share)
Outstanding capital stock Common shares (Notes 1)	16,768,733	13,558	—	16,782,291
Treasury stock Common shares (Notes 2)	37,661	—	23,040	14,621

Notes:

- The increase in common shares of 13,558 was due to exercise of stock acquisition rights.
- The decrease in treasury stock (common shares) of 23,040 was due to the acquisition of SBI Futures Co., Ltd. SBI Futures became a wholly owned subsidiary through a shares exchange.

Year ended 31 March 2011	As at 31 March 2010 (share)	Increase (share)	Decrease (share)	As at 31 March 2011 (share)
Outstanding capital stock Common shares	16,782,291	3,161,727	—	19,944,018
Treasury stock Common shares	14,621	—	—	14,621

Notes:

The increase of 3,161,727 common shares consisted of 3,112,000 shares increased due to the issuance of new shares of which the payment due date was 23 June 2010, and 49,727 shares increased by the exercise of stock acquisition rights.

2. Stock acquisition rights

Classification	Year ended 31 March 2010	Details of stock acquisition rights	Type of share	Number of shares for stock acquisition rights (share)			As at 31 March 2010 (millions of Yen)
				As at 31 March 2009	Increase	Decrease	
Reporting entity (the Company)	Stock acquisition rights (Notes 1, 2)	Common shares	330,383.77	—	16,871.13	313,512.64	—
Subsidiaries under consolidation	—	—	—	—	—	—	11
Total	—	—	—	—	—	—	11

Notes:

1. Stock acquisition rights were exercisable during the year ended 31 March 2010.
2. The decrease in stock acquisition rights was due to the exercise and expiration of the rights.

Classification	Year ended 31 March 2011	Details of stock acquisition rights	Type of share	Number of shares for stock acquisition rights (share)			As at 31 March 2011 (millions of Yen)
				As at 31 March 2010	Increase	Decrease	
Reporting entity (the Company)	Stock acquisition rights (Notes 1, 2 and 3)	Common shares	313,512.64	6,811.13	66,405.53	253,918.24	—
Subsidiaries under consolidation	—	—	—	—	—	—	11
Total	—	—	—	—	—	—	11

Notes:

1. Stock acquisition rights were exercisable during the year ended 31 March 2011.
2. The increase in stock acquisition rights was due to the adjustment of the number of shares for stock acquisition rights accompanying the issuance of new shares by offering.
3. The decrease in stock acquisition rights was due to the exercise and expiration of the rights.

3. Dividends

(1) Dividend paid

Year ended 31 March 2010		Dividend amount (millions of Yen)	Amount per share (Yen)	Declared date	Effective date
Resolution	Type of share				
Board of Directors' Meeting on 27 May 2009	Common shares	1,673	100	31 March 2009	11 June 2009

Year ended 31 March 2011		Dividend amount (millions of Yen)	Amount per share (Yen)	Declared date	Effective date
Resolution	Type of share				
Board of Directors' Meeting on 26 May 2010	Common shares	1,676	100	31 March 2010	14 June 2010

Declared date for dividend paid belonged to the year ended 31 March 2010 with effective date in the year ended 31 March 2011

Resolution	Type of share	Dividend amount (millions of Yen)	Dividend resource	Amount per share (Yen)	Declared date	Effective date
Board of Directors' Meeting on 26 May 2010	Common shares	1,676	Retained earnings	100	31 March 2010	14 June 2010

Declared date for dividend paid belonged to the year ended 31 March 2011 with effective date in the year ended 31 March 2012

Resolution	Type of share	Dividend amount (millions of Yen)	Dividend resource	Amount per share (Yen)	Declared date	Effective date
Board of Directors' Meeting on 27 April 2011	Common shares	2,391	Retained earnings	120	31 March 2011	9 June 2011

VIII. NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

1. Cash and cash equivalents reconciliation

	Year ended 31 March	
	2010	2011
	<i>(millions of Yen) (millions of Yen)</i>	
Cash and deposits	143,726	150,268
Time deposits with original maturity of over three months	(1,275)	(1,623)
Money Market Fund (MMF) included in short-term investment securities	130	142
Deposit included in others (current assets)	—	0
Cash and cash equivalents	<u>142,581</u>	<u>148,786</u>

IX. SEGMENT INFORMATION

The Group applied ASBJ Statement No.17 issued on 27 March 2009, "Accounting Standard for Segment Information Disclosures", and ASBJ Guidance No.20 issued on 21 March 2008, "Guidance on Accounting Standard for Segment Information Disclosures", after 31 March 2010.

For the year ended 31 March 2010, we reported our results of operations based on five business segments: asset management; brokerage and investment banking; financial services; housing and real estate; and system solution. From 1 April 2010, we began to reclassify the system solutions business segment to other businesses segment following application of ASBJ Statement No. 17 and ASBJ Guidance No. 20.

1. Overview of reportable segments

Separate financial information of the Group's components are available and reviewed regularly by the board of directors for the purposes of allocation of financial resources and performance evaluation.

The Group engages in a wide range of business activities, mainly the financial service business. Based on the similarities or both economic characteristics of business and nature of services, "Asset Management Business", "Brokerage and Investment Banking Business", "Financial Services Business", "Housing and Real Estate Business" are determined as reportable segments.

"Asset Management Business" primarily consists of fund management and investment in Internet technology, biotechnology, environment energy and financial-related venture companies.

"Brokerage and Investment Banking Business" primarily consists of financial businesses, such as trustee of securities trading, underwriting and offering for sale of IPO shares, offering for subscription or sale of stocks, foreign exchange margin trading, and other financial instrument trading business.

"Financial Services Business" primarily consists of financial-related businesses, such as property and casualty insurance business, credit card business and the provision of information regarding financial products.

"Housing and Real Estate Business" primarily consists of developing and trading of investment property, financing business related to the granting of mortgage loans, operating web sites related to the provision of intermediate service, comparison and real estate appraisal service.

2. Measurement of reportable segment profits or losses and segment assets

The accounting treatment of reportable segments is almost the same as adopted in preparation of consolidated financial statements.

The segment income is based on operating income. The inter-segment revenue and amounts of transferring to other accounts are based on market price.

3. Information about reportable segments

Year ended 31 March 2010	Reportable segment						Others (Note)	Total
	Asset Management Business	Brokerage & Investment Banking Business	Financial Services Business	Housing and Real Estate Business	Sub-total			
	(millions of Yen)	(millions of Yen)	(millions of Yen)	(millions of Yen)	(millions of Yen)	(millions of Yen)		
Net Sales								
Revenue from customers	20,189	46,986	24,441	17,152	108,769	15,772	124,541	
Inter-segment revenue	—	3,136	1,164	1	4,302	1,117	5,419	
Total	<u>20,189</u>	<u>50,122</u>	<u>25,605</u>	<u>17,153</u>	<u>113,071</u>	<u>16,889</u>	<u>129,961</u>	
Segment operating income (loss)	2,543	9,374	206	872	12,998	(2,104)	10,893	
Segment assets	198,466	880,834	96,917	109,003	1,285,222	20,985	1,306,207	
Other items								
Depreciation	52	2,324	1,003	301	3,681	411	4,093	
Amortization of Goodwill	184	5,921	385	767	7,260	504	7,764	
Investment in subsidiaries and affiliates applying equity-method	82	2,651	14,455	30	17,219	—	17,219	
Increase in property and equipment, intangible assets	2,053	7,087	3,916	410	13,469	2,180	15,649	

Note: Business segments classified into “Others” are segment not determined as reportable segments which consisted of system-related business, drug-discovery business and garment business.

Year ended 31 March 2011	Reportable segment						Others (Note) (millions of Yen)	Total (millions of Yen)
	Asset Management Business (millions of Yen)	Brokerage & Investment Banking Business (millions of Yen)	Financial Services Business (millions of Yen)	Housing and Real Estate Business (millions of Yen)	Sub-total (millions of Yen)			
	Net Sales							
Revenue from customers	30,699	45,374	28,364	23,464	127,903	13,178	141,081	
Inter-segment revenue	<u>1</u>	<u>2,498</u>	<u>2,165</u>	<u>3</u>	<u>4,669</u>	<u>2,453</u>	<u>7,122</u>	
Total	<u>30,701</u>	<u>47,873</u>	<u>30,530</u>	<u>23,467</u>	<u>132,573</u>	<u>15,631</u>	<u>148,204</u>	
Segment operating income (loss)	9,577	6,123	(536)	3,370	18,534	(1,832)	16,702	
Segment assets	222,364	909,176	122,716	104,821	1,359,078	16,793	1,375,872	
Other items								
Depreciation	50	2,734	1,277	439	4,502	479	4,982	
Amortization of Goodwill	274	5,851	526	728	7,381	508	7,889	
Investment in subsidiaries and affiliates applying equity-method	4,146	2,062	25,661	—	31,870	238	32,109	
Increase in property and equipment, intangible assets	685	3,196	4,020	538	8,440	482	8,923	

Note: Business segments classified into “Others” are segment not determined as reportable segments which consisted of system-related business, drug-discovery business and garment business.

4. Reconciliation of the differences between the total amount of reportable segments and the total amount recorded in the consolidated financial statements:

Net sales	For the year ended 31 March	
	2010 (millions of Yen)	2011 (millions of Yen)
Total of reportable segments	113,071	132,573
Net sales of “Others”	16,889	15,631
Elimination among segments	<u>(5,419)</u>	<u>(7,122)</u>
Net sales of consolidated financial statements	<u>124,541</u>	<u>141,081</u>

Operating income	For the year ended	
	31 March	
	2010	2011
	<i>(millions of Yen) (millions of Yen)</i>	
Total of reportable segments	12,998	18,534
Losses of "Others"	(2,104)	(1,832)
Elimination among segments	(2,479)	(1,765)
Headquarters expenses (Note)	<u>(4,982)</u>	<u>(6,004)</u>
Operating income of consolidated financial statements	<u>3,431</u>	<u>8,932</u>

Note: Headquarters expenses are general administrative expenses which are not attributable to reportable segments.

Assets	As at 31 March	
	2010	2011
	<i>(millions of Yen) (millions of Yen)</i>	
Total of reportable segments	1,285,222	1,359,078
Assets of "Others"	20,985	16,793
Elimination among segments	(94,550)	(94,348)
Headquarters assets (Note)	<u>18,282</u>	<u>12,082</u>
Assets of consolidated financial statements	<u>1,229,939</u>	<u>1,293,606</u>

Note: Headquarters assets are principally cash and deposits.

	For the year ended 31 March							
	2010				2011			
	<i>(millions of Yen)</i>				<i>(millions of Yen)</i>			
	Total of		Amount of	Total of	Total of		Amount of	Total of
	reportable	Others	adjustment	financial	reportable	Others	adjustment	financial
	segment			statements	segment			statements
Other items								
Depreciation	3,681	411	475	4,568	4,502	479	399	5,381
Amortization of goodwill	7,260	504	—	7,764	7,381	508	—	7,889
Investment in subsidiaries and affiliates applying equity-method	17,219	—	—	17,219	31,870	238	—	32,109
increase in property and equipment, intangible assets	13,469	2,180	154	15,803	8,440	482	202	9,125

X. NOTES TO PER SHARE INFORMATION

	Year ended 31 March	
	2010	2011
	<i>Yen</i>	<i>Yen</i>
Net assets per share	21,424.02	19,610.64
Net income per share	140.30	236.09
Diluted net income per share	<u>116.84</u>	<u>225.74</u>

Notes:

1. Basis of calculation of the net assets per share

	Year ended 31 March	
	2010	2011
	<i>(millions of Yen)</i>	<i>(millions of Yen)</i>
Total net assets	428,615	456,982
Details		
- Stock acquisition rights	(11)	(11)
- Minority interest	(69,372)	(66,142)
Total deducted amount from net asset	(69,384)	(66,154)
Net assets attributable to common shareholders at the end of the financial year	<u>359,230</u>	<u>390,828</u>
The number of common shares for the calculation (share)	<u>16,767,670</u>	<u>19,929,397</u>

2. Basis of calculation for the net income (loss) and diluted net income per share

	Year ended 31 March	
	2010	2011
	<i>(millions of Yen)</i>	<i>(millions of Yen)</i>
Net income per share		
Net income for the year	2,350	4,534
Net income not attributable to common shareholders	—	—
Net income attributable to common shareholders	<u>2,350</u>	<u>4,534</u>
Average number of common shares during the year (share)	<u>16,750,591</u>	<u>19,207,974</u>
Diluted net income per share		
Adjustment on net income for the year	(387)	(194)
Effect of dilutive shares issued by consolidated subsidiaries	(387)	(194)
Increased number of common shares (share)	49,358	20,501
Increased by exercising acquisition right	<u>(49,358)</u>	<u>(20,501)</u>

For the year ended 31 March 2010: Stock acquisition right issued by the stock option plan (Potential shares: 182,637 shares)

For the year ended 31 March 2011: Stock acquisition right issued by the stock option plan (Potential shares: 184,464 shares)

XI. EVENT AFTER THE REPORTING PERIOD

On 25 March 2011, the board of directors of the Company, in preparation for the Company's listing on the main board of the Hong Kong Stock Exchange, authorized an offering of depository receipts representing the Company's common shares (the "HDRs") in Hong Kong and certain other overseas markets (excluding the United States and Canada; the "HDR offering"), the issuance and offering (the "Underlying Share Offering") of common shares of the Company to be represented by the HDRs excluding common shares for the over-allotment (the "underlying original shares"), and the issuance and offering of common shares up to the number of shares (the "underlying shares") represented by the over-allotment portion of the HDR offering (the "Over-allotment Option").

The details of HDR offering and Underlying Share Offering are as stated below. The payment of Underlying Share Offering has been made on 12 April, 2011.

1. Method of offering

The underlying original shares will be issued to Daiwa Capital Markets Hong Kong Limited through a third-party allotment of 1,750,000 shares.

Daiwa Capital Markets Hong Kong Limited will then delivery these shares immediately to JPMorgan Chase Bank, N.A. (the "Depository Bank")'s account which is the depository bank for the HDR offering. The shares will be held by the depository bank as the underlying assets of the HDR offering. The issue price (offering price) of the underlying original shares is to be the same as the price to be paid for the shares, which is 10 times the price to be paid in for HDRs.

2. Number and class of shares (Number of HDR offering)

1,750,000 shares of common stock (17,500,000 HDRs. Investors will receive HDRs in place of the underlying original shares. 1 HDR represents 1/10 of a common share.

Furthermore, accompanied by the HDR offering, depending on the level of demand for the offering, the Company may offer an over-allotment of up to 2,500,000 additional HDRs representing shares borrowed (the "borrowed shares") by Daiwa Capital Markets Hong Kong Limited from the Company's shareholder through Daiwa Securities Capital Markets Co. Ltd. In connection with this over-allotment, the Company may issue to Daiwa Capital Markets Hong Kong Limited up to 250,000 common shares through a third-party allotment.)

3. Amount to be paid

HKD 777.20 per share

4. Total amount to be paid

HKD 1.36 billion (14.8 billion of yen)

5. Amount of capital raised

Share capital 7.4 billion of yen

6. Use of proceeds

The total amount raised through the underlying share offering and the third-party allotment will go towards direct investment in growing companies in and out of Japan, funds established with partners in developing countries mainly in Asia and funds in Japan as self investment fund. The rest will be invested in financial subsidiaries which use the internet as their main channel (and related subsidiaries), as well as provided to overseas financial institutions in the form of investment and financing (including investment and financing made through subsidiaries.)

Notes: Conversion from Hong Kong dollars to Japanese yen is made at the exchange rate on the payment date.

The details of third-party allotment are as follows:

1. **Number and class of shares**

250,000 common shares

2. **Price to be paid**

HKD 777.20 per share

3. **Total amount to be paid**

A maximum of HKD 194,300,000

4. **Amount of capital raised**

Share capital A maximum of HKD 97,150,000

5. **Allotted to**

Daiwa Capital Markets Hong Kong Limited

6. **Subscription deadline**

6 May 2011

7. **Payment Date deadline**

9 May 2011

8. **Use of proceeds**

As stated "6.Use of proceeds".

9. Others

Daiwa Capital Markets Hong Kong Limited from 14 to 28 April 2011 (the “syndicate covering transaction period”) may execute on the Hong Kong Stock Exchange syndicate covering transactions purchasing HDRs up to the number of HDRs issued in the over-allotment. In keeping with the provisions of the depositary contract to be signed by the Company and the depositary bank, all HDRs thus purchased are to be converted to common shares and used to return borrowed shares. However, during the syndicate covering transaction period, Daiwa Capital Markets Hong Kong Limited might not conduct any covering transactions at all or might finish the covering transactions without repurchasing the full number of shares issued in the over-allotment. The number of shares deducting number of shares represented by purchased HDRs during syndicate covering transaction period will be underwritten by Daiwa Capital Markets Hong Kong Limited. Therefore, the application for Over Allotment Offering might not be made partially or wholly and as a result, the shares issued on Over Allotment Offering might not be issued partially or wholly.

6. FINANCIAL INFORMATION FOR THE COMPANY

(Amounts in millions of Japanese Yen, and are rounded down to the nearest million , unless otherwise stated)

(1) BALANCE SHEETS

	As at 31 March	
	2010	2011
Assets		
Current assets		
Cash and deposits	16,649	10,903
Accounts receivable-trade	1,109	903
Accounts receivable-others	3,395	13,839
Real estate for sale	6,440	4,792
Real estate for sales in progress	6,744	6,244
Operational investment securities	31,177	27,210
Allowance for investment losses	(2,865)	(248)
Operational investment securities, net	<u>28,312</u>	<u>26,962</u>
Short-term investment securities	50	11,000
Prepaid expenses	113	292
Operational loans receivable	3,078	120
Short-term loans receivable	65,105	51,875
Deferred tax assets	3,016	4,688
Others	2,443	5,016
Allowance for doubtful accounts	<u>(1,263)</u>	<u>(1,668)</u>
Total current assets	<u>135,195</u>	<u>134,970</u>
Non-current assets		
Property and equipment		
Buildings	4,172	5,593
Accumulated depreciation	<u>(186)</u>	<u>(374)</u>
Buildings-net	<u>3,985</u>	<u>5,218</u>
Furniture and fixtures	1,290	1,374
Accumulated depreciation	<u>(980)</u>	<u>(1,123)</u>
Furniture and fixtures, net	<u>309</u>	<u>250</u>
Vehicles	20	20
Accumulated depreciation	<u>(14)</u>	<u>(17)</u>
Vehicles, -net	<u>5</u>	<u>3</u>
Land	2,533	2,757
Construction in progress	<u>69</u>	<u>76</u>
Total property and equipment	<u>6,903</u>	<u>8,306</u>

	As at 31 March	
	2010	2011
Intangible assets		
Patents	9	7
Trademark	25	24
Software	819	786
Telephone rights	5	5
Total intangible assets	<u>859</u>	<u>824</u>
Investments and other assets		
Stocks of subsidiaries and affiliates	297,872	328,229
Allowance for investment losses	<u>(4,116)</u>	<u>(1,464)</u>
Stocks of subsidiaries and affiliates-net	<u>293,755</u>	<u>326,764</u>
Investments in other securities of subsidiaries and affiliates	49,684	49,667
Investment securities	5,031	4,173
Investments in subsidiaries and affiliates other than equity securities	41	41
Long-term loans receivables from subsidiaries and affiliates	450	2,498
Long-term loans receivable from employees	—	535
Long-term prepaid expenses	24	115
Lease and guarantee deposits	1,619	1,696
Deferred tax assets, non-current	7,010	5,376
Others	<u>—</u>	<u>10</u>
Total investments and other assets	<u>357,617</u>	<u>390,880</u>
Total non-current assets	<u>365,379</u>	<u>400,010</u>
Deferred charges		
Stock issuance cost	—	152
Bond issuance cost	<u>421</u>	<u>221</u>
Total deferred charges	<u>421</u>	<u>374</u>
Total assets	<u><u>500,996</u></u>	<u><u>535,355</u></u>
Liabilities		
Current liabilities		
Short-term loans payable	103,768	138,768
Current portion of bonds payable	110,000	70,000
Accounts payable	822	857
Accrued expenses	416	271
Deposits received	89	223
Others	<u>71</u>	<u>10</u>
Total current liabilities	<u>215,168</u>	<u>210,131</u>

	As at 31 March	
	2010	2011
Non-current Liabilities		
Asset retirement obligation	—	114
Long-term deposits received	—	5,353
Others	<u>3,855</u>	<u>—</u>
Total non-current liabilities	<u>3,855</u>	<u>5,468</u>
Total liabilities	<u>219,023</u>	<u>215,599</u>
Net assets		
Shareholders' equity		
Capital stock	55,284	73,236
Capital surplus		
Legal capital surplus	96,764	114,716
Other capital surplus	<u>101,180</u>	<u>101,179</u>
Total capital surplus	<u>197,944</u>	<u>215,896</u>
Retained earnings		
Other retained earnings		
Retained earnings brought forward	<u>33,424</u>	<u>40,849</u>
Total retained earnings	<u>33,424</u>	<u>40,849</u>
Treasury stock	<u>(246)</u>	<u>(246)</u>
Total shareholders' equity	<u>286,405</u>	<u>329,734</u>
Valuation and translation adjustments		
Unrealized gains (losses) on available-for-sale securities	<u>(4,433)</u>	<u>(9,979)</u>
Total valuation and translation adjustments	<u>(4,433)</u>	<u>(9,979)</u>
Total net assets	<u>281,972</u>	<u>319,755</u>
Total liabilities and net assets	<u><u>500,996</u></u>	<u><u>535,355</u></u>

(2) STATEMENTS OF OPERATIONS

	<u>Year ended 31 March</u>	
	<u>2010</u>	<u>2011</u>
Net sales		
Revenue from operational investment securities	17,929	8,799
Revenue from real estate business.	3,187	792
Dividend income.	510	11,675
Others.	<u>7,479</u>	<u>6,923</u>
Total net sales	<u>29,106</u>	<u>28,191</u>
Cost of sales		
Cost of operational investment securities	8,675	6,601
Provision of allowance for investment losses	2,549	2,096
Cost of real estate business.	3,062	656
Other operating costs.	<u>7,907</u>	<u>6,763</u>
Total cost of sales	<u>22,195</u>	<u>16,118</u>
Gross profit	<u>6,910</u>	<u>12,072</u>
Selling, general and administrative expenses	<u>6,258</u>	<u>7,304</u>
Operating income.	<u>652</u>	<u>4,767</u>
Non-operating income		
Interest income.	2,790	1,781
Dividend income	51	57
Others	<u>262</u>	<u>152</u>
Total non-operating income	<u>3,104</u>	<u>1,991</u>
Non-operating expenses		
Interest expense	4,314	3,843
Amortization of bond issuance costs.	275	611
Foreign exchange losses	278	438
Others	<u>15</u>	<u>512</u>
Total non-operating expenses	<u>4,883</u>	<u>5,405</u>
Ordinary income (loss).	<u>(1,126)</u>	<u>1,353</u>
Extraordinary income		
Gains on disposal of investment in subsidiaries and affiliates.	3,951	16,471
Gains on sales of investment securities.	610	—
Gains on transfer of business.	1,303	—
Others.	<u>—</u>	<u>27</u>
Total extraordinary income.	<u>5,865</u>	<u>16,499</u>
Extraordinary expense		
Losses on retirement of non-current assets.	38	43
Losses on disposal of investment in subsidiaries and affiliates	1,421	2,078
Losses on valuation of investment in subsidiaries and affiliates	659	4,918

	Year ended 31 March	
	2010	2011
Losses on valuation of investment securities	20	26
Losses on sales of receivables from subsidiaries and affiliates .	1,174	—
Provision of allowance for investment losses	500	—
Loss on transfer of business	551	—
Others	25	668
Total extraordinary expense	<u>4,392</u>	<u>7,736</u>
Income before income taxes	<u>346</u>	<u>10,116</u>
Income taxes-current	<u>4</u>	<u>4</u>
Income taxes-deferred	<u>(3,177)</u>	<u>1,010</u>
Total income taxes	<u>(3,172)</u>	<u>1,014</u>
Net income	<u><u>3,519</u></u>	<u><u>9,101</u></u>

(3) STATEMENTS OF CHANGES IN NET ASSETS

	<u>Year ended 31 March</u>	
	<u>2010</u>	<u>2011</u>
SHAREHOLDERS' EQUITY		
Capital stock		
Balance at the end of previous year	55,214	55,284
Changes during the year		
Issuance of new stock	<u>69</u>	<u>17,952</u>
Total changes during the year	<u>69</u>	<u>17,952</u>
Balance at the end of current year	<u>55,284</u>	<u>73,236</u>
Capital surplus		
Legal capital surplus		
Balance at the end of previous year	96,694	96,764
Changes during the year Issuance of new stock		
Issuance of new stock	<u>69</u>	<u>17,952</u>
Total changes during the year	<u>69</u>	<u>17,952</u>
Balance at the end of current year	<u>96,764</u>	<u>114,716</u>
Other capital surplus		
Balance at the end of previous year	101,292	101,180
Changes during the year		
Increase (decrease) through share exchanges	(112)	—
Disposal of treasury stock	<u>(0)</u>	<u>(0)</u>
Total changes during the year	<u>(112)</u>	<u>(0)</u>
Balance at the end of current year	<u>101,180</u>	<u>101,179</u>
Total capital surplus		
Balance at the end of previous year	197,987	197,944
Changes during the year		
Issuance of new stock	69	17,952
Increase (decrease) through share exchanges	(112)	—
Disposal of treasury stock	<u>(0)</u>	<u>(0)</u>
Total changes during the year	<u>(43)</u>	<u>17,951</u>
Balance at the end of current year	<u>197,944</u>	<u>215,896</u>
Retained earnings		
Other retained earnings		
Retained earnings brought forward		
Balance at the end of previous year	31,578	33,424
Changes during the year		
Dividends	(1,673)	(1,676)
Net income	<u>3,519</u>	<u>9,101</u>
Total changes during the year	<u>1,846</u>	<u>7,424</u>
Balance at the end of current year	<u>33,424</u>	<u>40,849</u>

	Year ended 31 March	
	2010	2011
Total retained earnings		
Balance at the end of previous year	31,578	33,424
Changes during the year		
Dividends.	(1,673)	(1,676)
Net income	<u>3,519</u>	<u>9,101</u>
Total changes during the year.	<u>1,846</u>	<u>7,424</u>
Balance at the end of current year.	<u>33,424</u>	<u>40,849</u>
Treasury stock		
Balance at the end of previous year	(636)	(246)
Changes during the year		
Disposal of treasury stock	<u>389</u>	<u>—</u>
Total changes during the year	<u>389</u>	<u>—</u>
Balance at the end of current year	<u>(246)</u>	<u>(246)</u>
Total shareholders' equity		
Balance at the end of previous year	284,144	286,405
Changes during the year		
Issuance of new stock	138	35,904
Increase (decrease) through share exchanges.	(112)	—
Dividends	(1,673)	(1,676)
Net income.	3,519	9,101
Disposal of treasury stock	<u>388</u>	<u>(0)</u>
Total changes during the year	<u>2,261</u>	<u>43,328</u>
Balance at the end of current year	<u>286,405</u>	<u>329,734</u>
Valuation and translation adjustments		
Unrealized gains (losses) on available-for-sale securities		
Balance at the end of previous year	(1,627)	(4,433)
Changes during the year		
Net changes other than shareholders' equity.	<u>(2,805)</u>	<u>(5,546)</u>
Total changes during the year.	<u>(2,805)</u>	<u>(5,546)</u>
Balance at the end of current year.	<u>(4,433)</u>	<u>(9,979)</u>
Total valuation and translation adjustments		
Balance at the end of previous year.	(1,627)	(4,433)
Changes during the year		
Net changes other than shareholders' equity.	(2,805)	(5,546)
Total changes during the year.	<u>(2,805)</u>	<u>(5,546)</u>
Balance at the end of current year.	<u>(4,433)</u>	<u>(9,979)</u>

	Year ended 31 March	
	2010	2011
Total net assets		
Balance at the end of previous year	282,516	281,972
Changes during the year		
Issuance of new stock	138	35,904
Increase (decrease) through share exchanges	(112)	—
Dividends	(1,673)	(1,676)
Net income.	3,519	9,101
Disposal of treasury stock.	388	(0)
Net changes other than shareholders' equity	<u>(2,805)</u>	<u>(5,546)</u>
Total changes during the year	<u>(543)</u>	<u>37,782</u>
Balance at the end of current year	<u><u>281,972</u></u>	<u><u>319,755</u></u>

RESUMPTION OF TRADING

At the request of the Company, trading in its Hong Kong depositary receipts was suspended with effect from 1:30 p.m. on Wednesday, 27 April 2011, pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depositary receipts with effect from 9:00 a.m. on Thursday, 28 April 2011.

On behalf of the Board
SBI Holdings, Inc.
Yoshitaka Kitao
Chief Executive Officer

As of the date of this announcement, the executive Directors are Mr. Yoshitaka Kitao, Mr. Yasutaro Sawada, Mr. Kenji Hirai, Mr. Takashi Nakagawa, Mr. Tomoya Asakura, Mr. Takashi Okita, Mr. Noriaki Maruyama and Mr. Shumpei Morita, the non-executive Directors are Mr. Taro Izuchi, Mr. Hiroyoshi Kido, Mr. Noriyoshi Kimura and Mr. Hiroshi Tasaka and the independent non-executive Directors are Mr. Masaki Yoshida, Mr. Kiyoshi Nagano, Mr. Keiji Watanabe, Mr. Takeshi Natsuno and Mr. Akihiro Tamaki.

SUPPLEMENTARY INFORMATION

(1) Asset Management Business

The size of managed investment partnerships, etc. in the Asset Management Business amounted to ¥492.6 billion. This included funds worth ¥119.8 billion in the IT and biotechnology categories (the sum of net assets at market value as of the most recent fiscal closing of each fund), ¥6.2 billion in the environment & energy category (ditto), ¥97.0 billion in the overseas category (ditto), ¥31.5 billion in the buyout and mezzanine categories (ditto), ¥197.4 billion in the area including investment trusts, investment advisory and other (net assets at market value based on constant value as of March 31, 2011) as well as ¥40.4 billion in the real estate category (the total investment amount as of March 31, 2011).

The status of management of investment partnerships, etc. and the results of investment operations are described below.

(i) Investment Partnerships, etc. under Management

The following provides information on principal funds based on the most recent fiscal closing results (including interim and quarterly fiscal closing results) as of March 31, 2011.

	Fund Manager	Date Established	Fiscal Closing (Interim, etc.)	Major Investment Targets	Audit Firm	Number of Portfolio Companies	Commitment Amount (Millions of Yen)	SBI's Investment Ratio (Group's Investment Ratio) (%)	Net Asset Value (Millions of Yen)	Success Fee (Millions of Yen)
		Contract Maturity Date (Maturity Date after Extension)				Investment Balance (Millions of Yen)	Cumulative Dividend (Millions of Yen)		Amount of Net Assets at Market Value (Millions of Yen)	
SBI BROADBAND CAPITAL Silent Partnership	SBI BROADBAND CAPITAL Co., Ltd.	September 1, 2004	August (February)	Broadband related companies inside and outside of Japan	Deloitte Touche Tohmatsu LLC	115	20,791	0.0 (0.2)	13,008	—
		August 31, 2011				11,804	2,079		12,151	
SBI BROADBAND FUND No.1 LIMITED PARTNERSHIP (Note 7)	SBI Investment Co., Ltd.	October 1, 2004	June (December)	Broadband-related companies inside and outside of Japan	Yusei Audit & Co.	122	32,600	38.0 (38.3)	25,047	—
		August 31, 2011				24,784	—		23,750	
SBI BB MEDIA INVESTMENT LIMITED PARTNERSHIP	SBI Investment Co., Ltd.	March 24, 2005	December (June)	Content/ media/ broadband-related companies inside and outside of Japan	Deloitte Touche Tohmatsu LLC	95	20,000	9.5 (10.0)	14,150	—
		June 30, 2012				14,256	—		12,327	
SBI BB Mobile Investment LPS (Note 7)	SBI Investment Co., Ltd.	March 30, 2006	December (June)	Mobile technology-related companies inside and outside of Japan	Deloitte Touche Tohmatsu LLC	111	32,000	34.4 (35.3)	27,710	—
		December 31, 2011 (December 31, 2013)				20,194	—		27,251	
SBI NEO Technology Investment LPS (Notes 7, 8)	SBI Investment Co., Ltd.	July 1, 2008	December (June)	Unlisted and listed companies in IT, environment and other fields inside and outside of Japan	Deloitte Touche Tohmatsu LLC	33	10,400	43.5 (48.5)	9,705	—
		December 31, 2013 (December 31, 2015)				3,474	—		9,505	
SBI Advanced Technology No.1 Investment LPS (Note 7)	SBI Investment Co., Ltd.	April 20, 2010	December (June)	Unlisted and listed companies in IT, biotechnology, environment, energy and other fields inside and outside of Japan	Deloitte Touche Tohmatsu LLC	—	3,500	31.4 (40.0)	3,398	—
		December 31, 2018 (December 31, 2020)				—	—		3,398	

	Fund Manager	Date Established	Fiscal Closing (Interim, etc.)	Major Investment Targets	Audit Firm	Number of Portfolio Companies	Commitment Amount (Millions of Yen)	SBI's Investment Ratio (Group's Investment Ratio) (%)	Net Asset Value (Millions of Yen)	Success Fee (Millions of Yen)
		Contract Maturity Date (Maturity Date after Extension)				Investment Balance (Millions of Yen)	Cumulative Dividend (Millions of Yen)		Amount of Net Assets at Market Value (Millions of Yen)	
SBI Mezzanine Fund No2 LIMITED PARTNERSHIP (Notes 7, 9)	SBI Capital Solutions Co., Ltd.	April 12, 2005	January (July)	Companies in need of DIP finance, etc. inside and outside of Japan	Deloitte Touche Tohmatsu LLC	8	9,710	61.8 (73.2)	518	668
		January 31, 2013 (March 31, 2015)				423	11,866		518	
Metropolitan Enterprise Revitalization Fund, Limited Liability Investment Partnership (Note 7)	SBI Capital Solutions Co., Ltd.	March 13, 2006	January (July)	Companies in need of DIP finance, etc. conducting business in the Tokyo metropolitan area	Deloitte Touche Tohmatsu LLC	3	2,700	0.0 (7.4)	154	192
		January 31, 2011 (January 31, 2013)				107	3,169		154	
SBI Mezzanine Fund No3 LIMITED PARTNERSHIP (Notes 7, 9)	SBI Capital Solutions Co., Ltd.	October 30, 2008	January (July)	Companies in need of DIP finance, etc. inside and outside of Japan	Deloitte Touche Tohmatsu LLC	19	7,300	82.2 (100.0)	7,313	27
		January 31, 2016 (March 31, 2018)				3,265	97		7,313	
Metropolitan Enterprise Revitalization Fund, Limited Liability Investment Partnership No.2 (Note 7)	SBI Capital Solutions Co., Ltd.	September 10, 2009	January (July)	Companies in need of DIP finance, etc. conducting business in the Tokyo metropolitan area	Deloitte Touche Tohmatsu LLC	17	2,700	0.0 (7.4)	2,693	—
		January 31, 2016 (March 31, 2018)				1,193	38		2,693	
SBI Value Up Fund No.1 Limited Partnership (Note 7)	SBI Capital Co., Ltd.	September 1, 2006	November (May)	Buyout investment, enterprise revitalization investment, and minority investment in listed companies	Deloitte Touche Tohmatsu LLC	6	23,100	43.3 (49.8)	21,033	114
		November 30, 2014 (August 31, 2016)				16,672	438		20,918	
SBI Selective Target Investment LPS (Note 7)	SBI Investment Co., Ltd.	February 2, 2010	December (June)	Investment primarily in companies already targeted by the Group and which are highly likely to go public	Yusei Audit & Co.	2	900	27.8 (33.3)	877	—
		January 31, 2013 (January 31, 2015)				849	—		823	
SBI Innovation Fund No.1 (Note 7)	SBI Investment Co., Ltd.	March 31, 2010	December (June)	Unlisted and listed companies in Japan	Yusei Audit & Co.	8	3,000	96.7 (100.0)	2,939	—
		June 30, 2020 (June 30, 2022)				2,864	—		2,939	
SBI Entertainment Fund No. 2	SBI Investment Co., Ltd.	March 31, 2010	December (June)	Unlisted and listed companies inside and outside of Japan	Yusei Audit & Co.	2	2,102	0.0 (0.1)	2,082	—
		June 30, 2015 (June 30, 2017)				3,592	—		1,957	
SBI Real Incubation No.1 Limited Partnership (Note 7)	SBI Investment Co., Ltd.	September 1, 2003	August (February)	Franchise companies and other	Yusei Audit & Co.	15	1,800	10.0 (26.7)	941	—
		August 31, 2011 (August 31, 2013)				799	91		1,056	
Biovision Life Science Fund No.1 (Note 7)	SBI Investment Co., Ltd.	December 24, 2003	November	Biotechnology -related companies inside and outside of Japan	Deloitte Touche Tohmatsu LLC	14	4,200	50.0 (61.9)	2,736	—
		September 30, 2012 (September 30, 2014)				2,930	—		2,376	
SBI Bio Life Science Investment LPS (Note 7)	SBI Investment Co., Ltd.	August 1, 2005	November (May)	Biotechnology -related companies inside and outside of Japan	Deloitte Touche Tohmatsu LLC	21	6,300	46.0 (47.6)	4,355	—
		November 30, 2012 (November 30, 2014)				4,021	—		3,978	
SBI LIFE SCIENCE TECHNOLOGY INVESTMENT LPS (Notes 7, 10)	SBI Investment Co., Ltd.	March 1, 2007	November (May)	Biotechnology -related companies inside and outside of Japan	Deloitte Touche Tohmatsu LLC	19	9,800	51.0 (54.1)	8,254	—
		November 30, 2015 (November 30, 2017)				6,621	—		8,118	

	Fund Manager	Date Established	Fiscal Closing (Interim, etc.)	Major Investment Targets	Audit Firm	Number of Portfolio Companies	Commitment Amount (Millions of Yen)	SBI's Investment Ratio (Group's Investment Ratio) (%)	Net Asset Value (Millions of Yen)	Success Fee (Millions of Yen)
		Contract Maturity Date (Maturity Date after Extension)				Investment Balance (Millions of Yen)	Cumulative Dividend (Millions of Yen)		Amount of Net Assets at Market Value (Millions of Yen)	
Energy & Environment No. 1 Limited Partnership	Energy & Environment, Inc.	September 5, 2007	December (June)	Primarily companies engaged in businesses related to electricity, energy and environment inside and outside of Japan	Ernst & Young ShinNihon LLC	13	7,510	49.9 (50.1)	6,244	—
		December 31, 2016 (December 31, 2018)				1,616	—		6,200	
NEW HORIZON FUND, L.P. (Notes 11, 13)	NEW HORIZON PARTNERS LTD.	May 30, 2005	December	Primarily promising Chinese companies	Price Waterhouse Coopers	6	8,315	0.0 (50.0)	1,849	4,663
		May 30, 2012 (May 30, 2014)				2,497	31,580		5,264	
SBI & TH Venture Capital Enterprise (Notes 7, 12)	SBI & TH (Beijing) Venture Capital Management Co., Ltd.	January 18, 2008	December	Primarily promising Chinese companies	ShineWing Certified Public Accountants	6	2,809	86.1 (87.1)	2,727	—
		January 17, 2016				968	—		2,727	
SBI & BDJB CHINA FUND,L.P. (Note 12)	SBI & BDJB Management Limited	February 25, 2008	December	Primarily promising Chinese companies	RSM Nelson Wheeler Certified Public Accountants	2	8,152	50.0 (50.1)	7,765	—
		February 25, 2013 (February 25, 2015)				1,847	—		7,765	
SBI Zhaoxin L.P. (Notes 7, 12)	SBI Zhaoxin Advisor Limited	March 11, 2009	December	Primarily unlisted Chinese companies	Ernst & Young	—	1,667	100.0 (100.0)	1,604	—
		March 10, 2014 (March 10, 2016)				—	—		1,604	
SBI & Capital 22 JV Fund, L.P. (Notes 7, 12)	SBI & Capital 22 Management Co., Ltd.	October 29, 2008	December	Unlisted companies and other in Taiwan and China	Ernst & Young	3	1,832	66.7 (66.7)	1,579	—
		November 14, 2013 (November 14, 2015)				104	196		1,837	
India Japan Fund (Notes 7, 13)	SS Venture Services Limited	April 29, 2008	March	Primarily promising Indian companies	Ernst & Young	—	8,315	0.0 (100.0)	7,479	—
		April 29, 2013 (April 29, 2015)				—	—		7,479	
THE VIETNAM JAPAN FUND (Notes 7, 14)	FPT Fund Management Joint Stock Company	April 3, 2008	December	Primarily promising Vietnamese companies	Ernst & Young	8	6,660	0.0 (96.2)	6,461	—
		March 19, 2014 (March 19, 2017)				3,284	—		6,302	
SBI SOI Limited Partnership	SBI Discovery Fund Management Limited	June 4, 2008	December	Primarily university-led ventures in Asia	To be determined	—	500	0.0 (100.0)	500	—
		June 4, 2016 (June 4, 2018)				—	—		500	
PNB-SBI ASEAN Gateway Fund Ltd.P. (Note 12)	PNB-SBI ASEAN Gateway Investment Management Limited	December 10, 2009	December	Promising companies of ASEAN countries, China and India, and other	Ernst & Young	—	4,072	50.0 (50.0)	4,008	—
		March 31, 2015 (March 31, 2017)				—	—		4,008	
SBI Islamic Fund (Brunei) Limited (Note 15)	SBI (B) Sdn. Bhd	June 28, 2010	December	Islamic companies worldwide in conformity to the Sharia (Islamic) law and other	To be determined	—	4,721	50.0 (50.0)	4,674	—
		September 16, 2015 (September 16, 2017)				—	—		4,674	
SBI Jefferies Asia Fund L.P. (Notes 7, 12)	SBI-Jefferies Strategic Investments Asia Ltd.	July 16, 2010	December	Promising companies of south Asia, southeastern Asia and etc.	Ernst & Young	—	4,072	80.0 (80.0)	4,061	—
		July 16, 2015 (July 16, 2017)				—	—		4,061	
Jefferies SBI USA Fund L.P. (Note 12)	Jefferies-SBI Strategic Investments USA LLC	June 25, 2010	December	Unlisted U.S. companies	Price Waterhouse Coopers	1	12,216	50.0 (50.0)	12,164	—
		June 25, 2020 (June 25, 2022)				1,387	—		12,164	
SBI European Fund (Notes 7, 16)	Elan SBI Capital Partners Fund Management Private Limited Company	May 7, 2009	December	Companies of Hungary and other central and eastern European countries	KPMG	1	11,222	0.0 (60.0)	10,727	—
		May 7, 2015 (May 7, 2017)				379	—		10,835	

	Fund Manager	Date Established	Fiscal Closing (Interim, etc.)	Major Investment Targets	Audit Firm	Number of Portfolio Companies	Commitment Amount (Millions of Yen)	SBI's Investment Ratio (Group's Investment Ratio) (%)	Net Asset Value (Millions of Yen)	Success Fee (Millions of Yen)
		Contract Maturity Date (Maturity Date after Extension)				Investment Balance (Millions of Yen)	Cumulative Dividend (Millions of Yen)		Amount of Net Assets at Market Value (Millions of Yen)	
SBI-Metropol Investment Fund Cooperative U.A. (Note 12)	SBI-Metropol Fund Management Company Cooperative U.A.	November 19, 2010	December	Unlisted and listed companies in Russia	Ernst & Young	—	8,144	0.0 (50.0)	8,135	—
		November 19, 2017 (November 19, 2019)				—	—		8,135	
INVEST AD/SBI AFRICA FUND, L.P. (Note 13)	Invest AD/SBI Limited	January 11, 2011	December	Promising companies in north and central Africa	To be determined	—	6,236	50.0 (50.0)	6,236	—
		January 11, 2016 (January 11, 2018)				—	—		6,236	
Total						650	289,346	33.3 (46.1)	233,126	5,664
						129,930	49,554		231,016	

(Note)

1. Funds in the process of liquidation are as follows.

	Fund Manager	Date Established	Major Investment Targets	Audit Corporation	Number of Portfolio Companies	Commitment Amount (Millions of Yen)	SBI's Investment Ratio (Group's Investment Ratio) (%)	Net Asset Value (Millions of Yen)	Success Fee (Millions of Yen)
		Contract Maturity Date			Investment Balance (Millions of Yen)	Cumulative Dividend (Millions of Yen)		Amount of Net Assets at Market Value (Millions of Yen)	
Softbank Internet Fund	SOFT TREND CAPITAL Corp.	July 1, 1999	Internet-related and other companies inside and outside of Japan	Yusei Audit & Co.	4	12,300	0.0 (11.4)	839	—
		September 30, 2010			839	10,739		710	
MASDAR-SBI Fund, L.P.	MASDAR-SBI Alternative Energy Fund Ltd.	December 22, 2008	Japanese alternative energy-related companies and other	Ernst & Young	—	1,663	0.0 (50.0)	—	—
		September 10, 2010			—	—		—	

- The number of portfolio companies includes cases of investments in partnerships in addition to securities investment but excludes items to which impairment accounting was fully applied. In case an investment target falls under multiple funds, it is accounted for more than once in the total number of companies invested in.
- SBI's investment ratio and the Group's investment ratio are ratios as of the end of the most recent fiscal closing (including interim and quarterly fiscal closing) of each fund.
- Net asset value is derived based on acquisition cost (in case the value has declined considerably, the amount after impairment treatment) and in case allowance has been posted, the amount after deduction of allowance is used. The unpaid commitment amount is also included in the calculation.
- The amount of net assets at market value represents the net asset value plus the impact of unrealized gain/loss on securities as of the end of the most recent fiscal period (including interim and quarterly fiscal periods) of each fund. In computing the market value, the closing price on

the market as of the end of the most recent fiscal period (including interim and quarterly fiscal periods) of each fund was applied for each listed stock, while unlisted stocks, etc. were valued using acquisition costs. The unpaid commitment amount is also included in the calculation.

6. In case the initial fiscal closing has not arrived for a fund since its establishment, the number of portfolio companies and the investment balance are not recorded, and the commitment amount is indicated under the net asset value and the amount of net assets at market value.
7. This fund is included in the scope of consolidation in accordance with the “Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations” (Accounting Standards Board of Japan (ASBJ) Practical Solution Report No. 20, September 8, 2006).
8. Figures under SBI NEO Technology Investment LPS are aggregates of figures for SBI NEO Technology A Investment LPS and for SBI NEO Technology B Investment LPS. SBI’s investment ratio/Group’s investment ratio includes the portion of investment made by SBI NEO Technology C Investment LPS established on June 19, 2009.
9. SBI’s investment ratio includes the portion of investment made by SBI Mezzanine Fund No. 1.
10. Figures under SBI LIFE SCIENCE TECHNOLOGY INVESTMENT LPS include those for SBI LIFE SCIENCE TECHNOLOGY NO2 INVESTMENT LPS.
11. NEW HORIZON FUND, L.P. performs the fiscal closing process on a quarterly basis, and the figures reflect the provisional fiscal closing results of March 31, 2011.
12. This fund has been set to provide U.S. dollar-based reporting. For the purpose of presentation herein, an exchange rate as of December 31, 2010 (USD1 = JPY81.44) was applied on U.S. dollar-based figures in calculating the investment balance, the commitment amount, the net asset value and the amount of net assets at market value.
13. This fund has been set to provide U.S. dollar-based reporting. For the purpose of presentation herein, the exchange rate as of March 31, 2011 (USD1 = JPY83.15) was applied on U.S. dollar-based figures in calculating the investment balance, the commitment amount, the net asset value and the amount of net assets at market value.
14. This fund has been set to provide Vietnamese dong-based reporting. For the purpose of presentation herein, the exchange rate as of December 31, 2010 (VND10,000 = JPY41.63) was applied on Vietnamese dong-based figures in calculating the investment balance, the commitment amount, the net asset value and the amount of net assets at market value.
15. This fund has been set to provide Singapore dollar-based reporting. For the purpose of presentation herein, the exchange rate as of December 31, 2010 (SGD1 = JPY62.95) was applied on Singaporean dollar-based figures in calculating the investment balance, the commitment amount, the net asset value and the amount of net assets at market value.

16. This fund has been set to provide Hungarian forint-based reporting. For the purpose of presentation herein, the exchange rate as of December 31, 2010 (HUF1 = JPY0.39) was applied on Hungarian forint-based figures in calculating the investment balance, the commitment amount, the net asset value and the amount of net assets at market value.
17. The number of portfolio companies of funds managed by SBI-HIKARI P.E. Co., Ltd., a consolidated subsidiary of the Company, amounted to a total of 100 companies based on the data at the end of the most recent fiscal closing (including interim closing) of each fund as of March 31, 2011. The investment balance totaled ¥4,457 million, the net asset value was ¥8,077 million and the amount of net assets at market value was ¥8,046 million. In case an investment target falls under multiple funds, it is accounted for more than once in the number of portfolio companies.
18. The number of portfolio companies of funds managed by SBI Trans-Science Co., Ltd., a consolidated subsidiary of the Company, amounted to a total of 45 companies based on the data at the end of the most recent fiscal closing (including interim closing) of each fund as of March 31, 2011. The investment balance totaled ¥1,267 million, the net asset value was ¥1,662 million and the amount of net assets at market value was ¥1,509 million. In case an investment target falls under multiple funds, it is accounted for more than once in the number of portfolio companies.
19. The number of portfolio companies of funds managed by SBI Investment Korea Co., Ltd., an affiliate of the Company accounted for under the equity method, amounted to a total of 45 companies based on the data at the end of the most recent fiscal closing (including interim closing) of each fund as of March 31, 2011. The investment balance totaled ¥6,661 million, the net asset value was ¥13,521 million and the amount of net assets at market value was ¥13,436 million. In case an investment target falls under multiple funds, it is accounted for more than once in the number of portfolio companies. Each fund has been set to provide Korean won-based reporting. For the purpose of presentation herein, the exchange rate as of the most recent fiscal closing of each fund was applied on Korean won-based figures in calculating the aforementioned investment balance, the commitment amount, the net asset value and the amount of net assets at market value.

(ii) **Investment Operations**

(ii)-1 **Investment by Securities Type and Investment Balance**

Investment by Investment Partnerships, etc. Managed by the Group

Securities Type	Investments Executed			
	Consolidated Fiscal Year Ended March 31, 2010 (From April 1, 2009 to March 31, 2010)		Consolidated Fiscal Year Ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	
	<i>Amount (Millions of Yen)</i>	<i>Number of Companies</i>	<i>Amount (Millions of Yen)</i>	<i>Number of Companies</i>
Stocks	18,981	72	21,963	90
Bonds with subscription rights to shares	2,725	12	1,486	12
Subscription rights to shares	3	4	943	4
Other (corporate bonds, etc.)	32,660	44	26,186	51
Total	54,370	132	50,579	157

Securities Type	Investment Balance			
	Consolidated Fiscal Year Ended March 31, 2010 (As of March 31, 2010)		Consolidated Fiscal Year Ended March 31, 2011 (As of March 31, 2011)	
	<i>Amount (Millions of Yen)</i>	<i>Number of Companies</i>	<i>Amount (Millions of Yen)</i>	<i>Number of Companies</i>
Stocks	143,604	330	142,534	344
Bonds with subscription rights to shares	2,921	14	4,018	22
Subscription rights to shares	31	12	946	10
Other (corporate bonds, etc.)	7,369	40	11,619	49
Total	153,925	396	159,119	425

(Notes)

1. In case multiple funds invest in a company, the company is counted once to eliminate duplication and reflected in the number of companies. In case investment is made in multiple types of securities of a company, the company is accounted for under each securities type and hence reflected more than once. After excluding all duplications, the number of companies invested in for the consolidated fiscal year ended March 31, 2010 was 123 and that for the consolidated fiscal year ended March 31, 2011 was 151. At the end of the consolidated fiscal years ended March 31, 2010 and 2011, the number of portfolio companies totaled 371 and 397 respectively.

2. Investment balance is presented in market value. In computing the market value, the closing prices on the market as of March 31, 2010 and March 31, 2011 were applied for listed stocks as of the end of the consolidated fiscal years ended March 31, 2010 and March 31, 2011 respectively, while unlisted stocks, etc. were valued using acquisition costs (in case the value has declined considerably, the amount after impairment treatment was applied.)

Direct Investment by the Group

Securities Type	Investments Executed			
	Consolidated Fiscal Year Ended March 31, 2010 (From April 1, 2009 to March 31, 2010)		Consolidated Fiscal Year Ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	
	<i>Amount (Millions of Yen)</i>	<i>Number of Companies</i>	<i>Amount (Millions of Yen)</i>	<i>Number of Companies</i>
Stocks	3,991	8	13,262	21
Bonds with subscription rights to shares	10	1	534	5
Subscription Rights to shares	—	—	—	—
Other (Corporate bonds, etc.)	1,159	2	59	2
Total	5,161	11	13,856	28

Securities Type	Investment Balance			
	Consolidated Fiscal Year Ended March 31, 2010 (As of March 31, 2010)		Consolidated Fiscal Year Ended March 31, 2011 (As of March 31, 2011)	
	<i>Amount (Millions of Yen)</i>	<i>Number of Companies</i>	<i>Amount (Millions of Yen)</i>	<i>Number of Companies</i>
Stocks	26,414	67	34,622	77
Bonds with subscription rights to shares	10	1	1,789	11
Subscription Rights to shares	—	—	—	—
Other (Corporate bonds, etc.)	823	3	858	4
Total	27,247	71	37,270	92

(Notes)

1. In case direct investment is made in multiple types of securities of a company, the company is accounted for under each securities type and hence reflected more than once. After excluding all duplications, the number of companies invested in for the consolidated fiscal year ended March 31, 2010 was 10 and that for the consolidated fiscal year ended March 31, 2011 was 27. At the end of the consolidated fiscal years ended March 31, 2010 and 2011, the number of portfolio companies totaled 70 and 89 respectively.

2. Operational investment securities recorded on the consolidated balance sheets (¥113,152 million as of March 31, 2010; ¥132,773 million as of March 31, 2011) represent the aggregate of the above investment balance of direct investment (¥27,247 million as of March 31, 2010; ¥37,270 million as of March 31, 2011), investment balance of investment partnerships, etc. included in the scope of consolidation (¥71,719 million as of March 31, 2010; ¥72,864 million as of March 31, 2011) and investment in investment partnerships, etc. not included in the scope of consolidation (¥22,608 million as of March 31, 2010; ¥31,746 million as of March 31, 2011) minus allowance for investment loss.
3. Investments made in the consolidated fiscal years ended March 31, 2010 and March 31, 2011 and investment balance as of the end of the consolidated fiscal years ended March 31, 2010 and March 31, 2011 respectively for investment partnerships, etc. included in the scope of consolidation are included in the investment in investment partnerships, etc. managed by the Group provided in the preceding page.

(ii)-2 Listing by Portfolio Companies

The following provides the status on listing, etc. by portfolio companies of the Group and of investment partnerships, etc. managed by the Group in the consolidated fiscal years ended March 31, 2010 and March 31, 2011.

Consolidated Fiscal Year Ended March 31, 2010 (From April 1, 2009 to March 31, 2010)

Number of Companies	Name of Portfolio Company	Month & Year of Listing, etc.	Listing, etc.	Business Description	Location of Head Office
Japan: 5 companies Overseas: 3 companies	China Cord Blood Corporation	June 2009	M&A	Healthcare services centered on the cord blood bank business and the cell therapy business	China
	D. Western Therapeutics Institute, Inc.	October 2009	Listed (JASDAQ NEO)	Research and development of pharmaceutical products	Aichi, Japan
	Helixir Co., Ltd.	November 2009	M&A	Development of functional foodstuffs and pharmaceutical products	Korea
	FOI Corporation	November 2009	Listed (TSE Mothers)	Development, manufacturing and sales of semiconductor production devices	Kanagawa, Japan
	TECmOWAVE, LTD.	November 2009	M&A	Planning, development, operation and management of amusement facilities	Tokyo, Japan
	Ku6 Holding Limited	January 2010	M&A	Operation of video-sharing sites in China	China
	Anicom Holdings, Inc.	March 2010	Listed (TSE Mothers)	Management of subsidiary companies, including Anicom Insurance, Inc., specializing in pet insurance and others, and associated business activities	Tokyo, Japan
	ESCRIT, INC.	March 2010	Listed (TSE Mothers)	Bridal business involving planning and operation of wedding ceremonies and parties	Tokyo, Japan

(Notes)

1. The location of head office of each overseas company reflects the principal place of operation or the substantial head office location.
2. "M&A" is indicated in case a portfolio company has executed a share exchange or entered into a merger with a listed company.
3. In addition to the above, among the portfolio companies of New Horizon Capital, L.P. in which the Company invests as a Limited Partner, GCL Solar Energy Technology Holdings Inc. and Windrace International Company Limited each executed a share exchange with a listed company in June and October 2009 respectively, while BBMG Corporation became a listed company on the Hong Kong Stock Exchange in July 2009.

Consolidated Fiscal Year Ended March 31, 2011 (From April 1, 2010 to March 31, 2011)

Number of Companies	Name of Portfolio Company	Month & Year of Listing, etc.	Listing, etc.	Business Description	Location of Head Office
Japan: 1 company Overseas: 10 companies	MEDICAMOBILE, INC.	April 2010	M&A	Sales and offering of various products and services for nursing care facilities	Tokyo, Japan
	Azalea Networks Inc.	September 2010	M&A	Design, development, manufacturing (outsourced) and sales of mesh network devices and communication equipment, and installation, maintenance, upgrade and other handling of related software	U.S.A.
	Wisol Co., Ltd.	September 2010	Listed (KOSDAQ)	Manufacturing of electronic parts	Korea
	ITEK Semiconductor, Inc.	October 2010	Listed (KOSDAQ)	Semiconductor testing services	Korea
	Betfair Group plc	October 2010	Listed (London Stock Exchange)	Operation of an online betting site under the name of "Betfair" primarily in the United Kingdom	U.K.
	CIG Pannonia Life Insurance Plc.	November 2010	Listed (Budapest Stock Exchange)	Life insurance	Hungary
	Airtac International Group	December 2010	Listed (Taiwan Stock Exchange)	Manufacturing of aerodynamic analytical devices	China
	Everpia Vietnam JSC	December 2010	Listed (HoChiMinh Stock Exchange)	Manufacturing of beds and bedding	Vietnam
	Sino Polymer New Materials Co., Ltd.	January 2011	M&A	Development and production of products associated with the new high polymer material, PPS (poly phenylene sulfide)	China
	LB Semicon Inc.	January 2011	Listed (KOSDAQ)	Semiconductor manufacturing business	Korea
Aonemecha Co., Ltd.	March 2011	M&A	Manufacturing of facilities for automating production of displays such as TFT-LCD	Korea	

(Notes)

1. The location of head office of each overseas company reflects the principal place of operation or the substantial head office location.
2. "M&A" is indicated in case a portfolio company has executed a share exchange or entered into a merger with a listed company.

3. Among the portfolio companies of investment partnerships, etc. managed by the Group, PCHOMESTORE Inc. became a listed company on the Gre Tai Securities Market in April 2011.
4. In addition to the above, among the portfolio companies of New Horizon Capital, L.P. in which the Company invests as a Limited Partner, Navinfo Co., Ltd. and Harbin Gloria Pharmaceuticals Co., Ltd. became listed companies on the Shenzhen Stock Exchange in May and June 2010 respectively, Sunac China Holdings Limited was listed on the Hong Kong Stock Exchange in October 2010, New Century Department Store Limited Company of Chongqing General Trading and Hebei Meihua Monosodium Glutamate Group Co., Ltd. concluded M&A in December 2010, and Sinovel Wind (Group) Co., Ltd. was listed on the Shanghai Stock Exchange in January 2011.