



*Strategic
Business
Innovator*

SBI Group

**First Quarter Financial Results and
Strategic Update**

(Fiscal Year Ending March 31, 2008)

August 1, 2007

The items in this document are provided as information related to the business strategy of SBI Group companies and not as an invitation to invest in the stock or securities issued by each company. None of the Group companies guarantees the completeness of this document in terms of information and future business strategy. The content of this document is subject to revision or cancellation without warning.

1. Consolidated Financial Performance

Fiscal Year (“FY”) ends March 31 of the following year

FY2007 1Q Consolidated Financial Highlights

(million yen)

	1Q FY2006 (with funds consolidated)	1Q FY2007 (with funds consolidated)	YoY change(%)
Operating revenues	35,178	56,086	+59.4
Operating income	10,746	12,721	+18.4
Ordinary income	71,136 [*]	12,190	-82.9
Net income	38,620	5,903	-84.7

*Includes ¥60,393 million gain (other income) from amortization of negative goodwill resulting from newly consolidated funds

YoY Comparisons Are Meaningless Due to Special Items Associated with Newly Consolidated Funds Starting with FY06 First Half

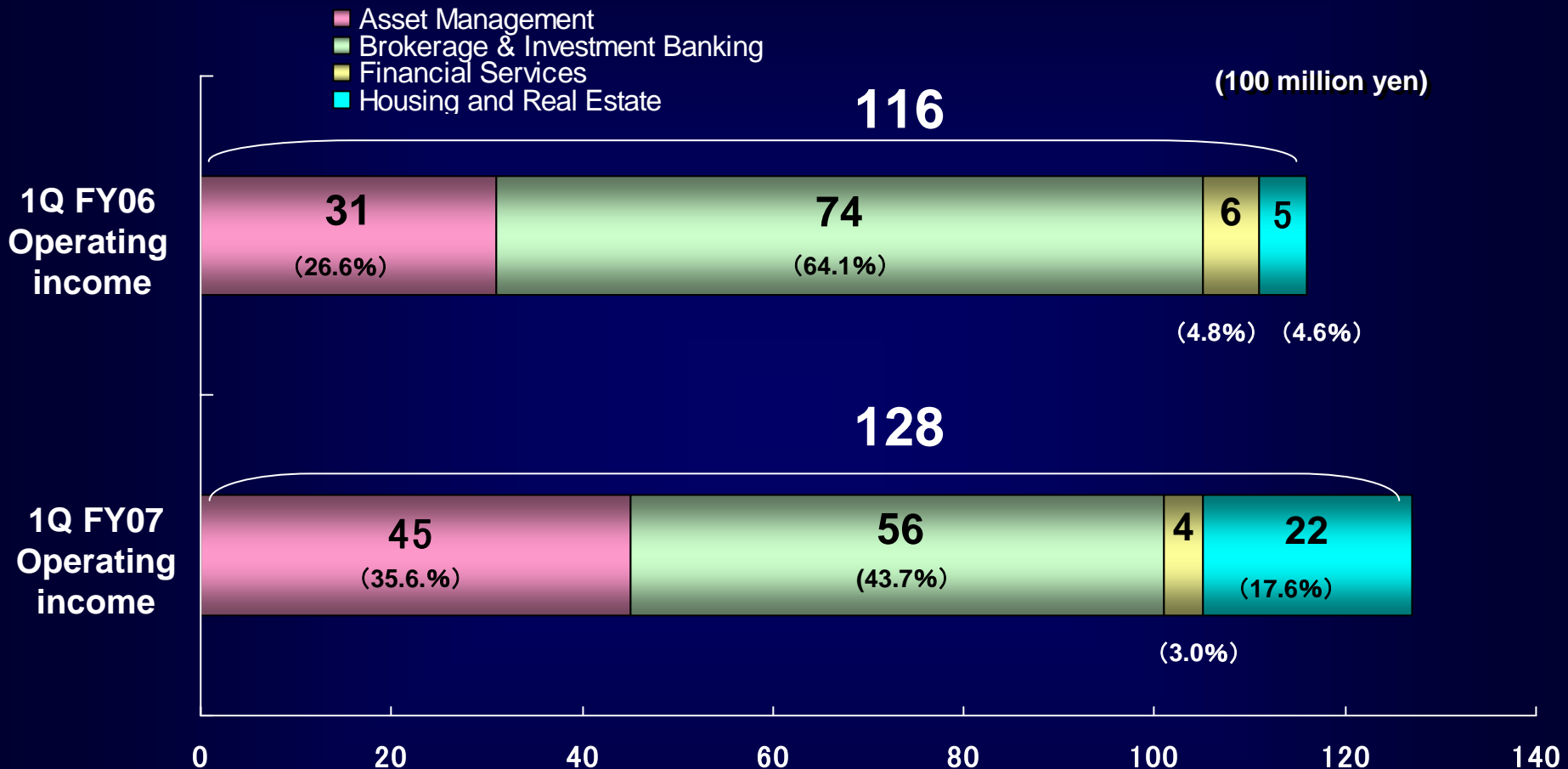
(100 million yen)

	1Q FY06 (Cons.)	Major impact of fund consolidation vs. previous accounting standard	1Q FY07 (Cons.)
Operating revenues	352	- ¥123 due to elimination of success (management) fees in consolidation + ¥17 due to increase in revenues from sales of operational investment securities	561
Operating income	107	- ¥20 due to increase in costs for operational investment securities	127
Ordinary income	711	+ ¥604 due to amortization of negative goodwill	122
Income before income taxes	444	- ¥319 due to losses on sales of investment securities	162
Net income	386	+ ¥123 due to inclusion of success (management) fees as minority interests in net income	59

*Rounded to nearest ¥100 million.

Direct comparison between 1Q of FY07 and FY06 is difficult due to the number of special items for FY06. For example, there was a gain from amortization of negative goodwill resulting from newly consolidated funds and losses on sales of securities associated with adjustments of book values of stocks held by the consolidated funds.

Comparison of Operating Income by Segment (with Funds Consolidated)



1. These operating income figures do not include eliminations for consolidation and deduction of corporate expenses. Therefore, totals do not match operating income in the consolidated financial statements.
2. SBI Holdings began releasing separate figures for the Real Estate and Housing Business, which had been combined with the Asset Management Business, in fiscal 2007.
3. Rounded to the nearest ¥100 million.

Highlights of First Quarter Consolidated Performance (1)

Beginning in FY07, all funds classified as subsidiaries, irrespective of their importance, are included in the scope of consolidation

	1H FY2006	Full term FY2006	1Q FY07
The number of consolidated funds	6	12	22
Consolidation decision basis	Only funds classified as subsidiaries that made a certain level of contribution to the consolidated financial statements	Same as on the left	All funds classified as subsidiaries irrespective of their impact on the consolidated financial statements
Reasons for increase	Added 3 funds of significance to the partnerships already consolidated based on Accounting Standards Board of Japan Practical Solution Report No. 20	Added 6 funds which reached the necessary level of significance based on Practical Solution Report No. 20	Added 10 funds based on Practical Solution Report No. 20

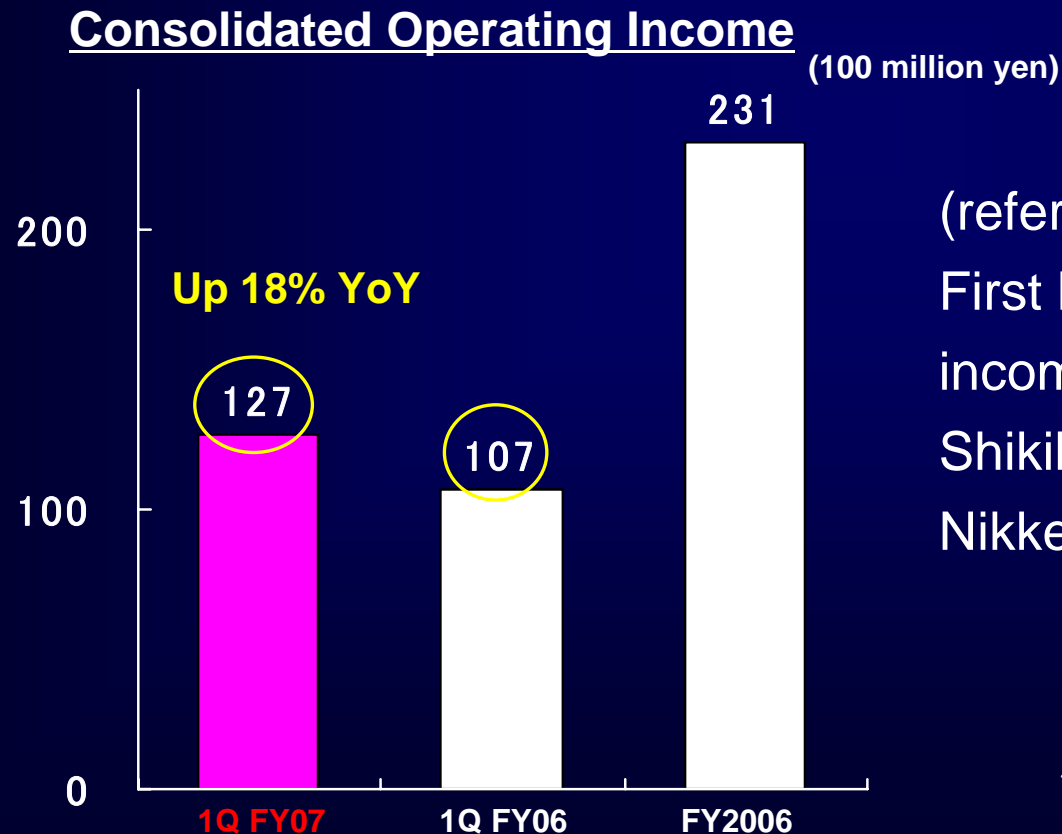
The following 14 funds are not included in the consolidation as of June 30, 2007.

- Five funds jointly managed with outside investors and not recognized as subsidiaries
- Nine funds not qualify for inclusion in the consolidation (recommendation of our independent auditor) due to the anonymous partnerships structure and insignificant of the Group's interest in those funds

In principle, there should be no changes in the scope of consolidation for established funds. Therefore, there will be no goodwill, book value adjustments and other items associated with the newly consolidated funds, as occurred in FY06. As a result, SBI expects that operating results going forward will reflect only the contributions of consolidated funds.

Highlights of First Quarter Consolidated Performance (2)

FY07/1Q ordinary income and net income were down YoY due to owing to a significant amount of capital gains (and associated negative goodwill amortization) and success fees associated with the flagship fund IT Fund in FY06/1Q. However, operating income increased YoY to ¥12.7 billion.



(reference)

First half consolidated operating income forecasts:

Shikiho	¥20 billion
Nikkei Kaisha Joho	¥25 billion

*Rounded to nearest ¥100 million.

Highlights of First Quarter Consolidated Performance (3)

The Internet non-life and life insurers became subsidiaries in FY07/1Q and the Internet bank became an equity-method affiliate, resulting in the inclusion of new business start-up expenses in the consolidated income statement.

Financial Services Business

(million yen)

	1Q FY06	1Q FY07	YoY change (%)
Operating income	554	386	-30.3
Existing businesses	563	882	+56.7
New businesses	-9	-496	-

Bank/Insurance

Credit Cards

Lifestyle Services

Internet bank - Completed preliminary application and now testing operating systems.
Plans to start operations during FY07/H1.

Internet non-life insurer - Same as for the internet bank

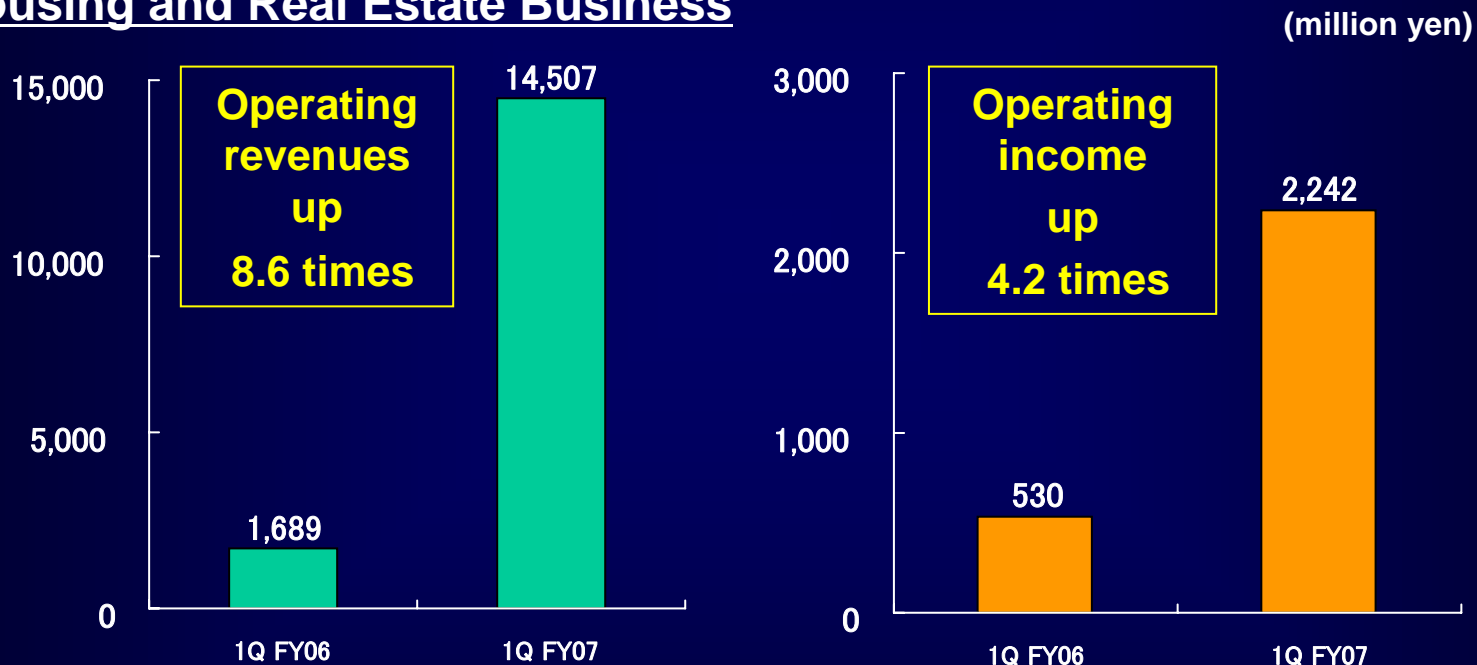
Internet life insurer - Preparing for preliminary application and installation of operating systems.
Plans to start operations during FY07/H2.

Credit cards - Credit cards issued have increased to about 15,000 only 8 months after the start of operations. Plans to become profitable early in 2008.

Highlights of First Quarter Consolidated Performance (4)

SBI began reporting financial results for the Housing and Real Estate Business separately due to its growth; was previously combined with the Asset Management Business

Housing and Real Estate Business



Forecasting FY07 operating income of ¥7 billion due to growth of real estate operations along with earnings contributions from the real estate finance business (, which includes SBI Mortgage and CEM Corporation).

2. Profiles of Major Business Lines

Fiscal Year (“FY”) ends March 31 of the following year

(1) Asset Management Business

Fiscal 2007 First Quarter

(Three months ended June 2007)

Operating revenues: ¥16.6 billion (+56% YoY)

Operating income: ¥4.5 billion (+48% YoY)

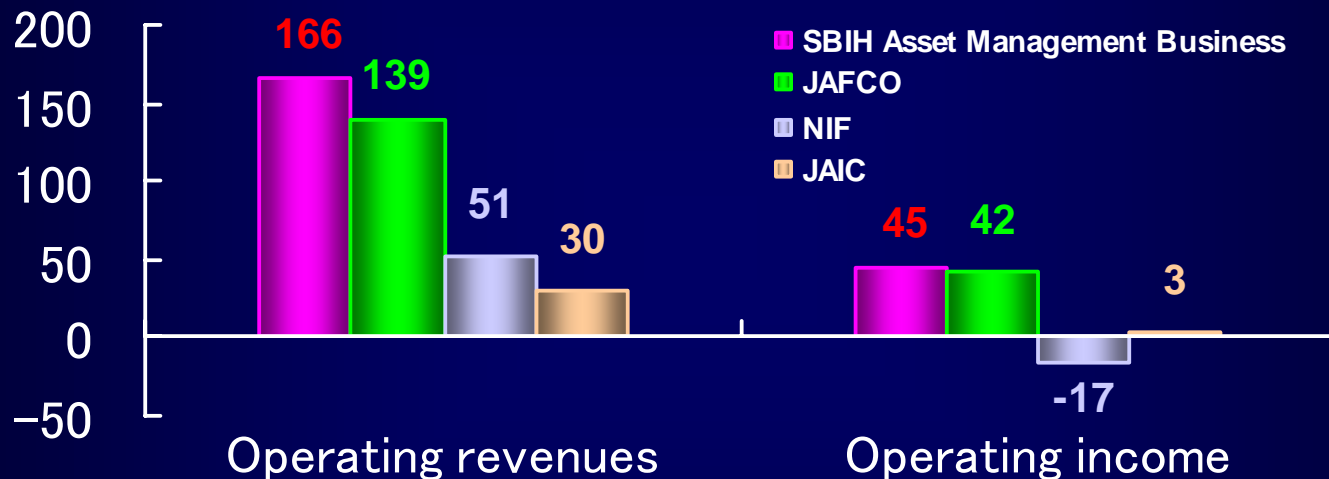
Notes:

1. The above figures include the consolidation of funds.
2. The above figures do not include eliminations for consolidation and the deduction of corporate expenses.
3. Rounded to the nearest ¥100 million.

Asset Management First Quarter Highlights (1)

Declining prices in the emerging equity markets are raising concerns about earnings at venture capital firms. However, this business achieved YoY growth of 55.6% in operating revenues and 47.6% in operating income after the consolidation of funds.

Comparison of FY07/1Q Venture Capital Company Performance (100 million yen)



	YoY growth (%)
SBI	+55.6
JAFECO	+61.4
NIF	+37.9
JAIC	+16.3

	YoY growth (%)
SBI	+47.6
JAFECO	+38.7
NIF	Deficit
JAIC	-40.7

Source: Company materials

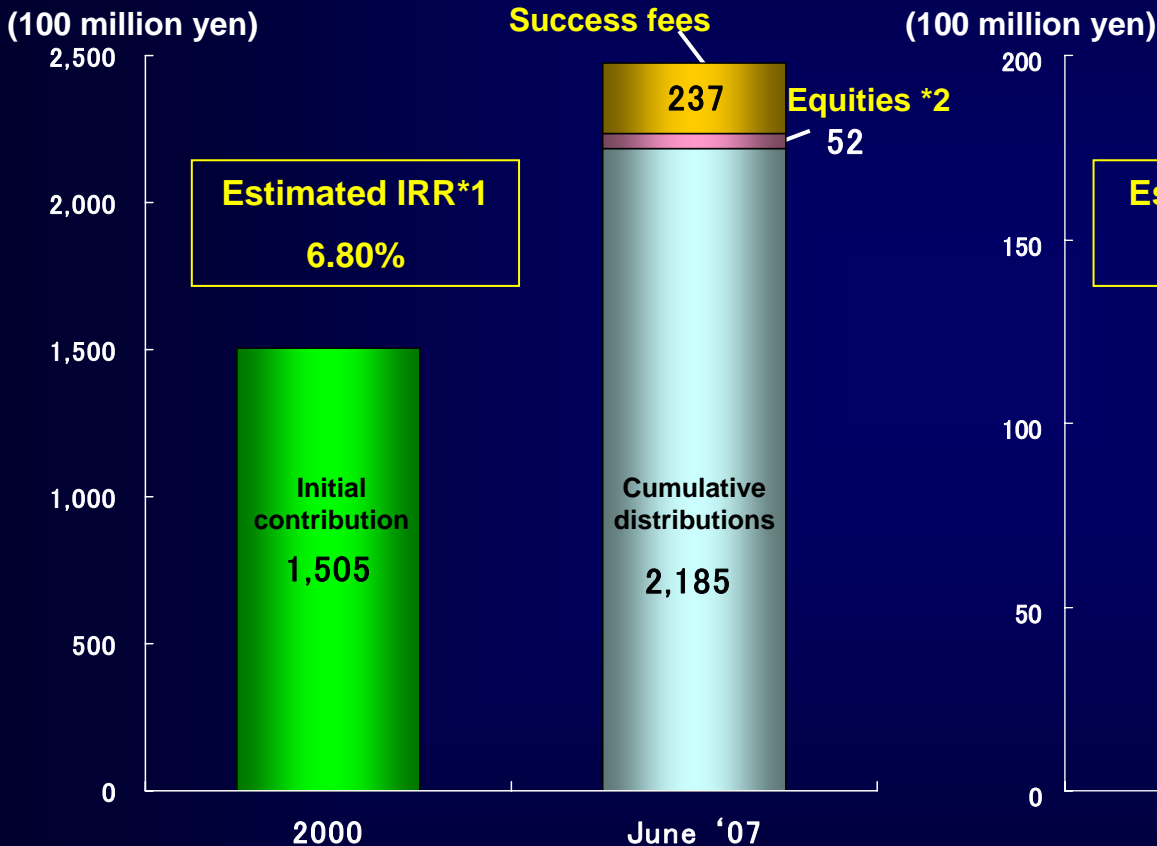
*Comparisons use figures with funds consolidated, but the previous method (without funds consolidated) is used for JAFECO, NIF and JAIC because these companies did not disclose FY06/1Q results with funds consolidated.

*Rounded to nearest ¥100 million.

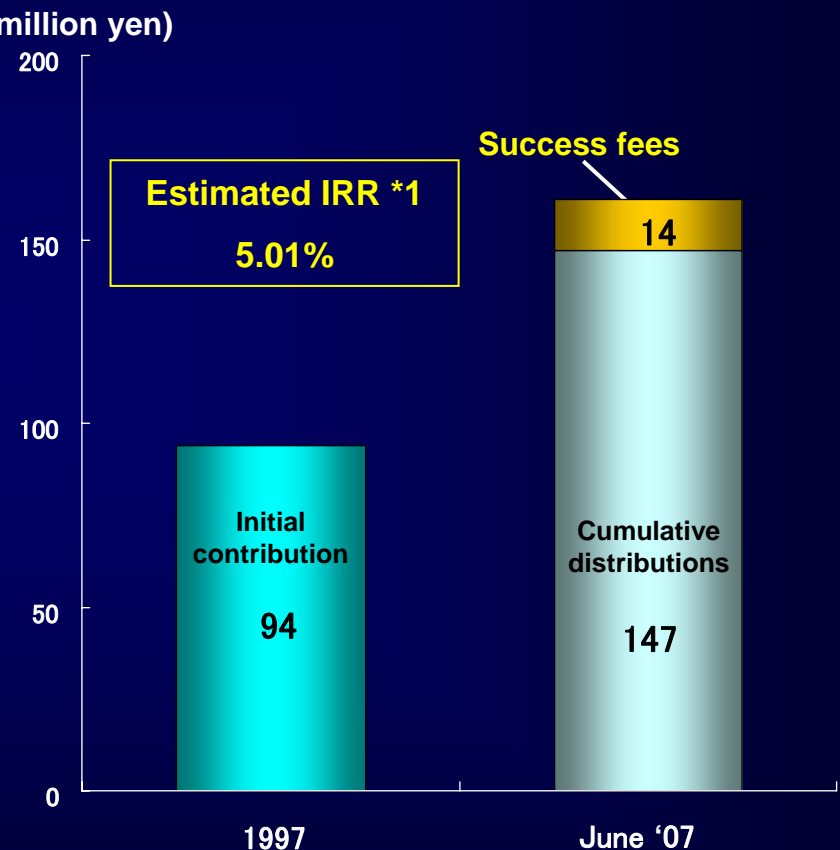
Asset Management First Quarter Highlights (2)

The INTERNET TECHNOLOGY FUND and CONTENT FUND were redeemed at the end of the first quarter, and both funds performed well enough to contribute to the Group's venture capital track record.

SOFTBANK INTERNET TECHNOLOGY FUND



SOFTBANK CONTENT FUND



Both funds performed well despite the bursting of the IT bubble shortly after their inception.

*1 Average annual return forecast based on figures prior to preparation of final financial statements.

*2 Some investments remain as this fund is still operating. Therefore, SBI expects to receive more distributions.


Asset Management First Quarter Highlights (3)-a

Value-Up Fund sold its first investment after only 9 months, raising its value by 67%. The Fund is currently in a friendly TOB negotiation for its third investment.

<First investment: FOODX GLOBE Co., Ltd.>

- Operates nationwide chain of Tully's Coffee shops

Aug-Sept '06 Fund purchased a 29% equity stake. ITO EN then purchased a majority interest at a price 50% higher and made this company a subsidiary.

 June '07 Sold all shares at a price **67% higher** than the purchase price. Resulting capital gain contributed about ¥1.7 billion to consolidated operating income.

<Second investment: CEM Corporation>

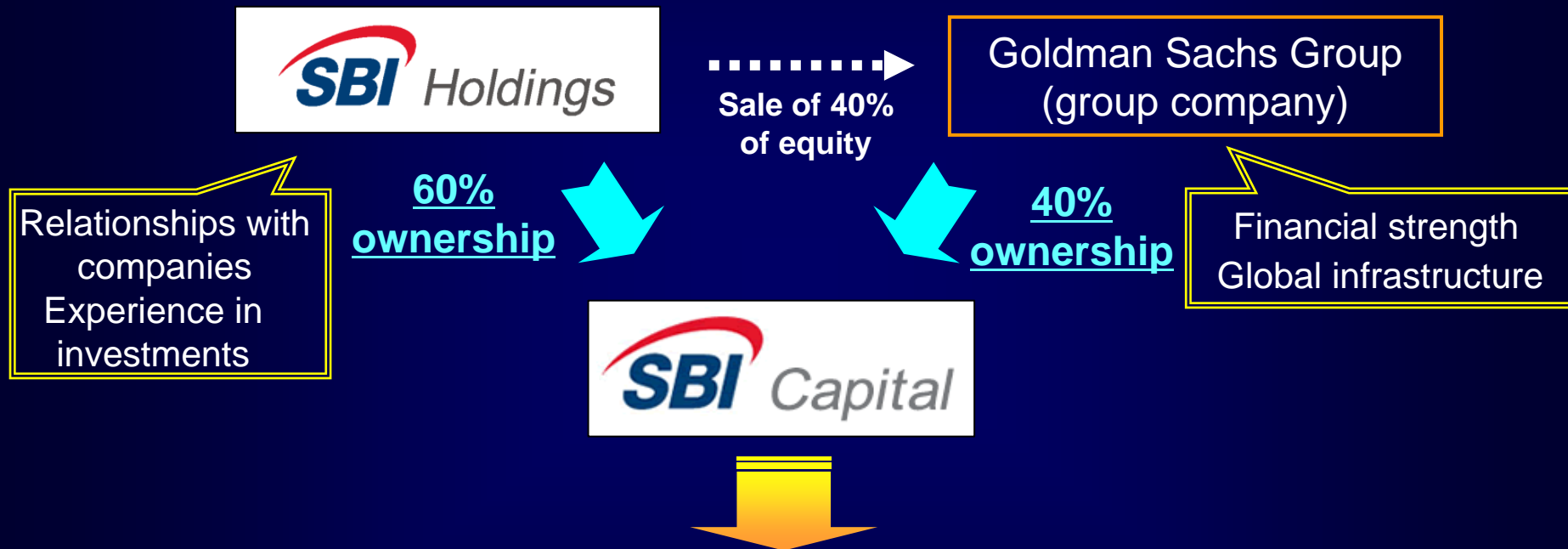
- Extends medium-risk, medium-return real estate-secured loans.
- Acquired an equity stake of about 80% through fund and direct investments. Revenues of ¥2.1 billion (up 27% YoY) and operating income of ¥1.1 billion (up 44% YoY) in first three quarters of FY ending August 2007.

<Third investment: Narumiya International Co., Ltd.>

- Retailer of children's apparel using original brands
- Fund currently conducting a tender offer (July 11 to Aug. 22)
- Tender offer requires submission of at least one-third of outstanding shares
Company's founding family (holding 37.82% of shares) has agreed to submit shares for sale

Asset Management First Quarter Highlights (3)-b

Capital/business alliance with Goldman Sachs Group for investments in midsize companies provides foundation for an investment amount of ¥100 billion, setting the stage for further growth in the buyout sector.



Targeting an increase of fund assets to ¥100 billion within three years, including contributions from external investors

The sale of 40% of SBI Capital will result in an estimated extraordinary gain of ¥4.9 billion (consolidation) and ¥6.3 billion (non-consolidation) in FY07

Asset Management First Quarter Highlights (4)

Four of the 10 companies in the New Horizon Fund (NHF) portfolio are now publicly owned, with another planning an IPO in September 2007. Unrealized capital gains of the four publicly owned companies already total greater 50% of the fund's initial principals. SBI Holdings expects to receive distributions of US\$36.6 million from this fund (initial investment was US\$50 million), and expects to record these distributions in the fourth quarter since the fund ends its fiscal year in December.

(US\$ million)

Portfolio companies	Investment	Category	IPO	Projected earnings	
				March '07	June '07
Sichuan Meifeng Chemical Industry	14.8	A-Class shares		30.5 (unrealized gain)	42.0
Changsha Zoomlion Heavy Industry Science & Technology Development	13.3	A-Class shares		35.6(unrealized gain)	110.7
China Printing & Dyeing Holding (Jiang Long)	3.5	IPO		1.0(unrealized gain)	2.2
Yingli Green Energy Holding	2.5	IPO		Pre-IPO	3.5
Kingsoft	7.2	Pre-IPO	Sep. '07		Est. IRR 72%
Cathay Industrial Biotech	12.2	Pre-IPO	2007		Est. IRR 148%
China Stem Cells Holdings	4.1	Pre-IPO	2007		Est. IRR 57%
Goldwind Science and Technology Co., Ltd	4.1	Pre-IPO	2007		Est. IRR 77%
Jiangsu Ealong Biotech	2.5	Pre-IPO	2007		Est. IRR 84%
Shineway Group	20.0	Pre-IPO	2009		Est. IRR 34%
Total	84.3			Total of US\$152.9 million	

SBI Group will invest US\$50 million in a second fund with principal of US\$500 million

Asset Management First Quarter Highlights (5)

Of the 22 portfolio companies planning a FY07 IPO, eight have already completed an IPO or the application process, which compares favorably with the 10 IPOs for all of FY06.

	From start of operations to Mar.2006	FY2006	FY2007 (planned)
IPOs and M&A deals	89	10	22

Eight of 22 planned IPOs already completed or completed application process

April 20	CareNet, Inc.
May 22	Nippon Techno Lab., Inc.
June 6	Trust Works Inc.
June 8	Yingli Green Energy Holding Company Ltd.
June 22	Infoteria Corporation
Aug. 8	Full Speed Inc.
Aug. 8	China Boqi Environmental Solutions Technology (Holding) Co., Ltd.
Aug. 31	Intermestic Inc.

* The estimated number of IPOs represents companies in the highest of five categories used to evaluate portfolio companies by SBI's Investment Committee, which meets weekly. The IPO estimate represents the outlook of SBI based on its own evaluations and is not a guarantee of the number of future IPOs. Past performance represents sales that have been completed with regard to IPOs and M&A.

Asset Management First Quarter Highlights (6)-a

Backed by solid growth in investment trust operations, assets under management at the Asset Management Business and other segments of the SBI Group amounted to ¥689.0 billion on June 30, 2007.

Private equity: ¥280.4 billion

IT/Biotechnology Total 130.5

Internet	10.2
Broadband/Media	67.7
Mobile services	30.0
Biotech/Others *1	22.5

Direct Investment 52.1

Environment/Energy *2 15.0

Buyout/Mezzanine Total 33.6

Value Up:	22.2
Mezzanine:	11.3

Overseas Total 49.2

China/Hong Kong *3	37.2
India	12.0

Investment trusts: ¥366.3 billion

Investment trusts, others

Investment trusts *4	82.6
Investment advisory	280.0
Investment companies	3.7

Real estate: ¥42.3 billion

Real estate, others

Development:	¥15.6
Completed properties:	¥26.7

Figures for real estate investments and investment trusts and others are net assets at market value as of June 30, 2007. Figures for other funds are net assets at market value based on the most recent financial report for each fund as of June 30, 2007.

*1 Includes ¥4.5 billion (tentative) for biotechnology fund now being established.

*2 New fund in environment/energy sector that is to be established.

*3 Includes ¥3.6 billion (tentative) for Tsinghua Holdings fund now being established. *4 Includes ¥20.0 billion for India and Vietnam Fund that began operations on July 25.

Asset Management First Quarter Highlights (6)-b

Joint venture with Mizuho Securities to operate a fund targeting the environment and energy sectors in Japan and overseas



Mizuho Securities

50%

50%

Significant track record in IT and biotech related investments

Environment and Energy Investments Co., Ltd.

Significant track record in environment and energy related investments

Plan to establish a second fund of ¥15 billion in the near term

SBI plans to make substantial investments in the environment/energy sector, positioning this as a third core investment category

(2) Brokerage & Investment Banking Business

Fiscal 2007 First Quarter

(Three months ended June 2007)

Operating revenues: ¥17.4 billion (-4% YoY)

Operating income: ¥5.6 billion (-25% YoY)

Notes:

1. The above figures do not include eliminations for consolidation and the deduction of corporate expenses.
2. Rounded to the nearest ¥100 million.

Brokerage & Investment Banking First Quarter Highlights (1)-a

SBI E*TRADE SECURITIES records first quarter consolidated revenues of ¥15.4 billion and ordinary income of ¥6.1 billion

SBI E*TRADE SECURITIES Consolidated Performance (million yen/%)

	1Q FY2006 (2006/4 to 2006/6)	1Q FY2007 (2007/4 to 2007/6)	YoY change (%)
Operating revenues	15,691	15,440	-1.6
Net operating revenues	14,886	14,115	-5.2
Operating income	7,168	6,113	-14.7
Ordinary income	7,391	6,112	-17.3
Net income	4,182	3,221	-23.0

Performance:

Brokerage & Investment Banking First Quarter Highlights (1)-b

Earnings down YoY because due to reduction of about 30% in brokerage commissions. But revenues increased because of strong performance at E*TRADE Korea.

FY06 and FY07 Consolidated Quarterly Performance

(million yen/%)

	FY2006				FY2007	
	1Q (Apr to June)	2Q (July to Sept)	3Q (Oct to Dec)	4Q (Jan to Mar)	1Q (Apr to June)	Change vs. 4Q
Operating revenues	15,691	12,882	13,737	15,100	15,440	+2.3
Net operating revenues	14,886	11,905	12,642	13,861	14,115	+1.8
Operating income	7,168	5,043	5,803	6,527	6,113	-6.3
Ordinary income	7,391	5,077	5,744	6,358	6,112	-3.9
Net income	4,182	2,789	3,191	3,646	3,221	-11.7

Brokerage & Investment Banking First Quarter Highlights (1)-c

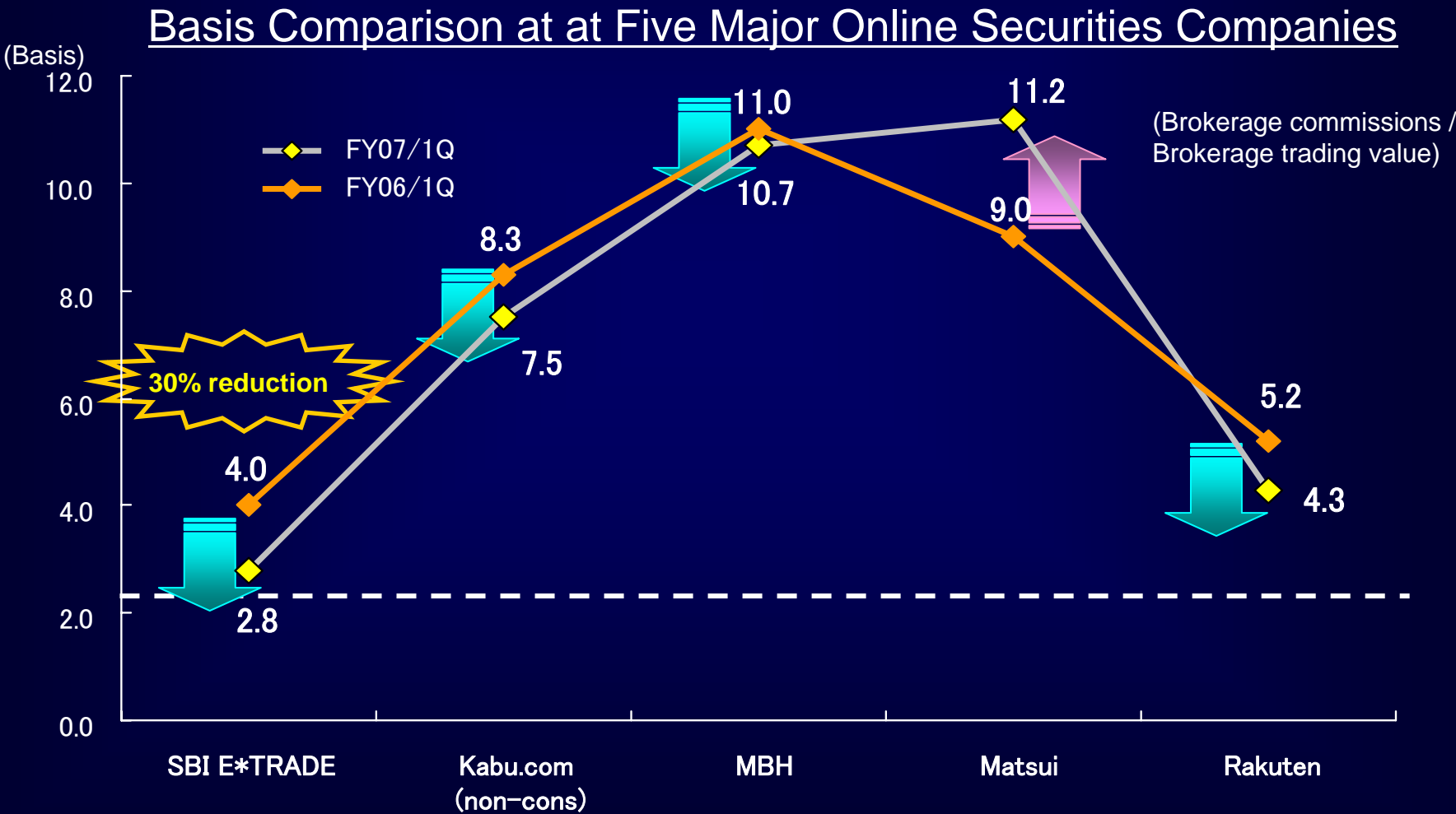
Ordinary income was down 17.3% YoY, but owing to substantially larger customer base the rate of earnings decline was not as great versus the major online competitors.

Comparison of FY07/1Q Consolidated Performance of Major Online Securities Companies

	1Q FY2007 Ordinary income (cons.)(million yen)	YoY (1Q FY2006) (%)	From the previous quarter (4Q FY2006) (%)
SBI E*TRADE	6,112	-17.3	-3.9
Rakuten	1,975	-64.9	-47.3
Matsui	5,359	-17.6	-20.5
Kabu.com (non-cons.)	2,686	-23.1	-6.3
Monex	3,354	-35.9	-22.0

Brokerage & Investment Banking First Quarter Highlights (1)-d

Matsui Sec. revised its fee structure, charging the highest fees of the five major online securities, while E*TRADE decreased it's basis to 2.8

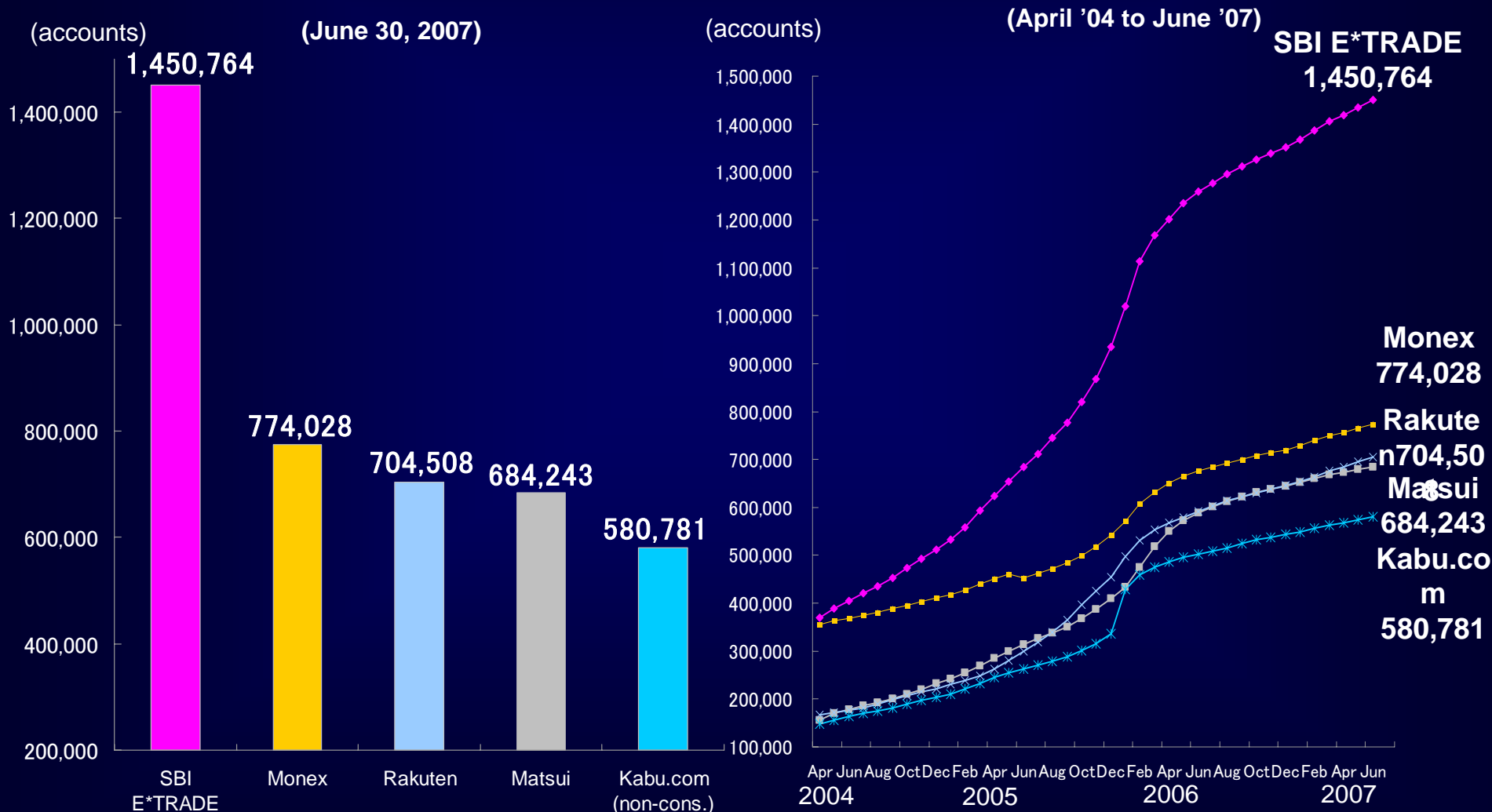


Source: Based on company materials
Cumulative figures for period from April through June; brokerage commissions use non-consolidated data

Brokerage & Investment Banking First Quarter Highlights (2)-a

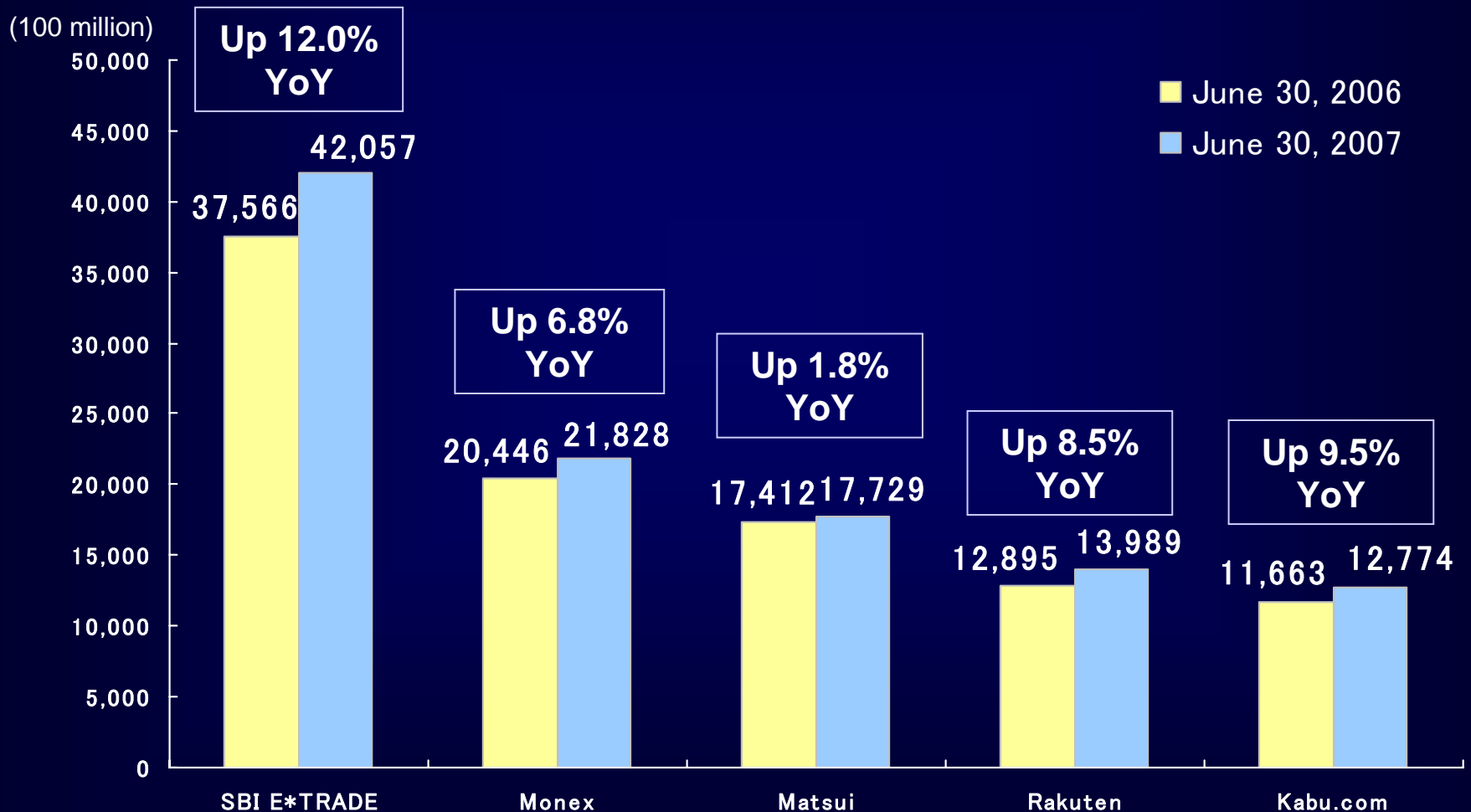
Customer accounts surpassed 1.45 million as of June 30, 2007

Accounts of five major online securities companies



Brokerage & Investment Banking First Quarter Highlights (2)-b

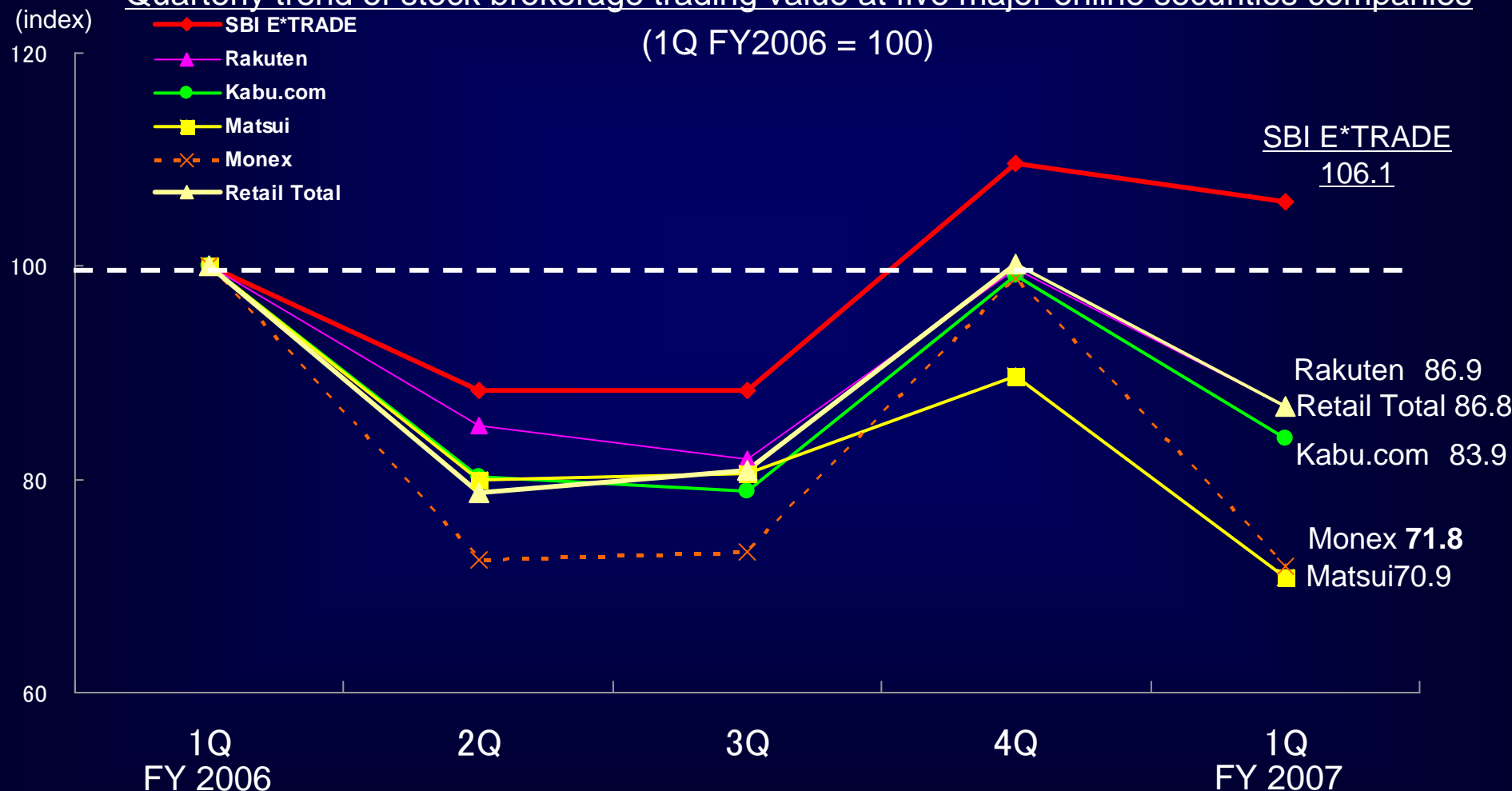
Customer account assets up 12.0% YoY to ¥4,205.7 billion as of June 30, 2007.



Brokerage & Investment Banking First Quarter Highlights (2)-c

Only SBI ETRADE achieved YoY growth in stock brokerage trading value among major online securities company

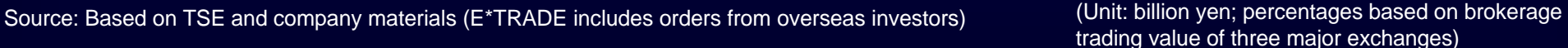
Quarterly trend of stock brokerage trading value at five major online securities companies



Source: Based on TSE, JASDAQ and company materials

Individual brokerage trading value is the sum of trades on the three major exchanges and JASDAQ.

Comparison of stock brokerage trading value with big three securities companies

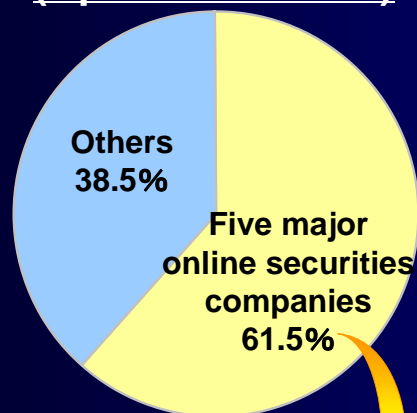


Brokerage & Investment Banking First Quarter Highlights (2)-e

Individual brokerage trading value market share rose to 33.4% in FY07/Q1 compared with 27.3% in FY06/1Q

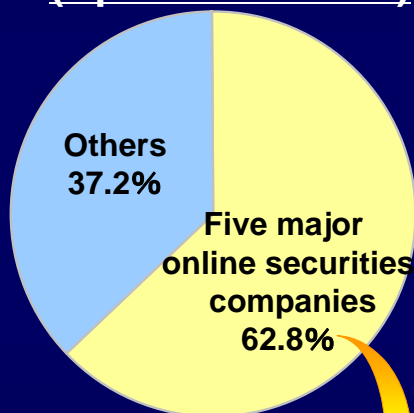
Change in share of individual brokerage trading value

1Q FY2005
(April to June '05)



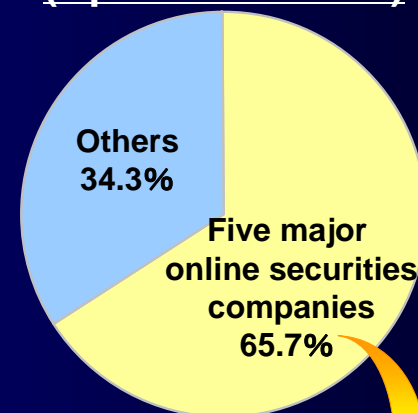
SBI E*TRADE	24.8%
Rakuten	11.8
Matsui	11.2
Monex	8.3
Kabu.com	5.4

1Q FY2006
(April to June '06)



SBI E*TRADE	27.3%
Rakuten	13.2
Matsui	9.5
Monex	6.8
Kabu.com	6.0

1Q FY2007
(April to June '07)



SBI E*TRADE	33.4%
Rakuten	13.2
Matsui	7.7
Kabu.com	5.8
Monex	5.6

Source: Based on TSE, JASDAQ and company materials

* Individual brokerage trading value is the sum of trades on the three major exchanges and JASDAQ.
Monex is the sum of Monex Securities and Nikko Beans.

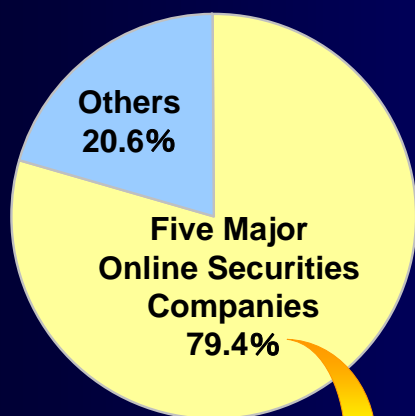
Kabu.com Securities merged with MeNet Securities on January 1, 2006.

Brokerage & Investment Banking First Quarter Highlights (2)-f

Individual margin trading value market share rose to 38.2% in FY07/Q1 compared with 32.2% in FY06/1Q

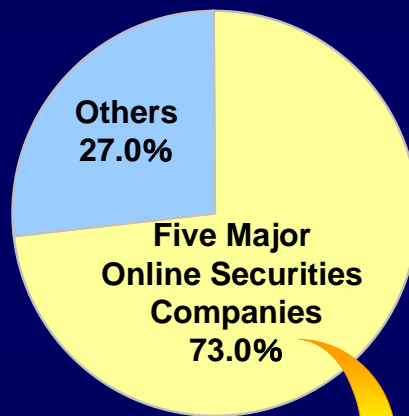
Change in share of individual margin trading value

1Q FY2005
(Apr.2005-Jun.2005)



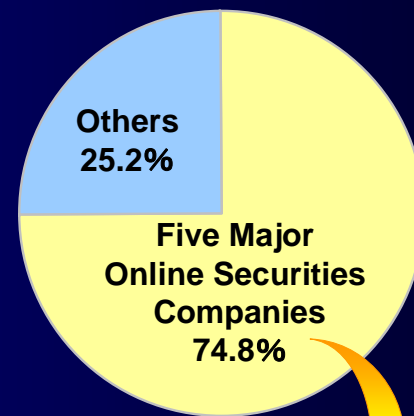
SBI E*TRADE	32.3%
Matsui	17.0
Rakuten	13.6
Kabu.com	7.5
Monex	9.0

1Q FY2006
(Apr.2006-Jun.2006)



SBI E*TRADE	32.2%
Rakuten	14.4
Matsui	12.5
Kabu.com	7.4
Monex	6.6

1Q FY2007
(Apr.2007-Jun.2007)



SBI E*TRADE	38.2%
Rakuten	15.4
Matsui	9.3
Kabu.com	6.8
Monex	5.1

Source: Based on TSE, JASDAQ and company materials

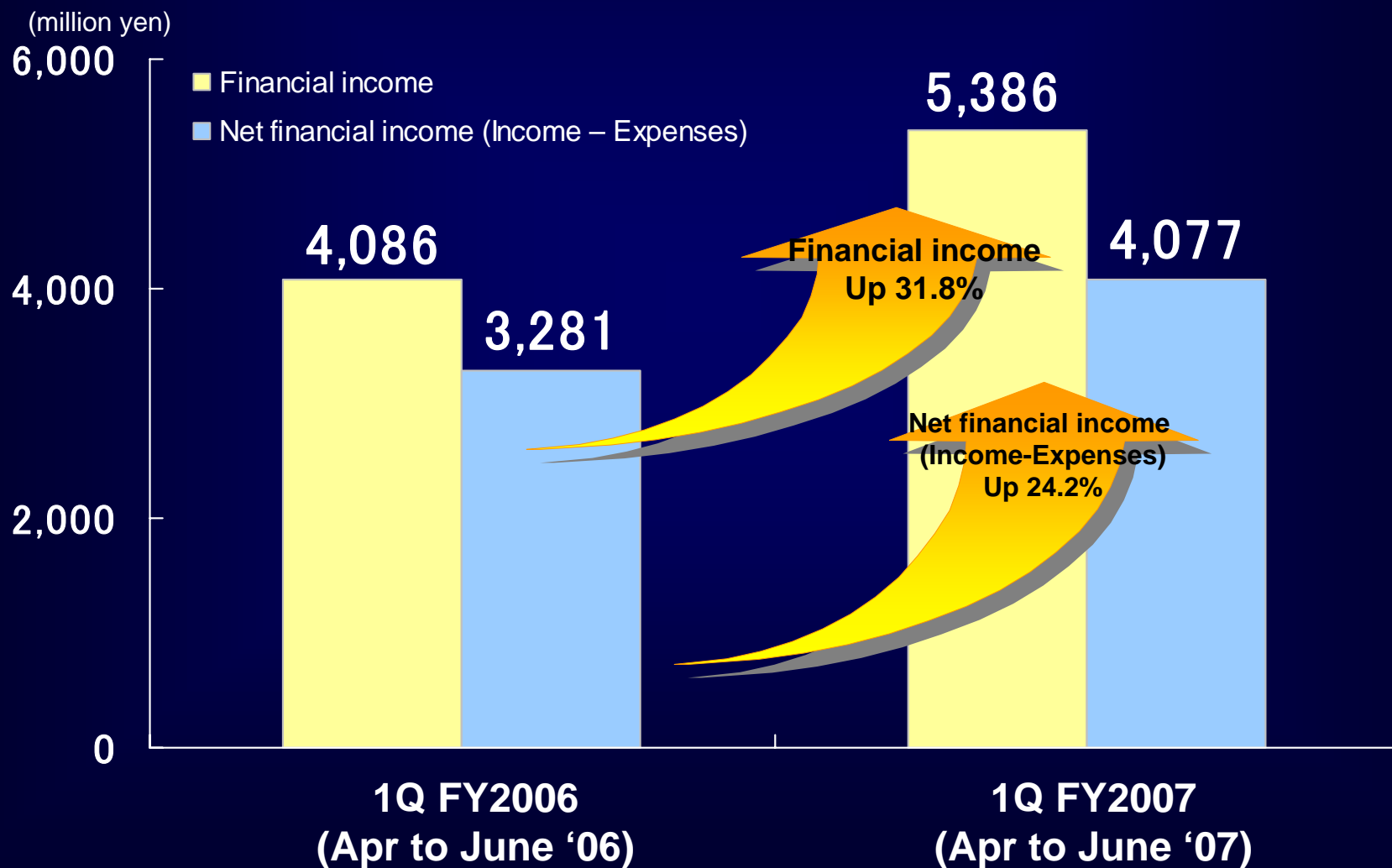
* Individual brokerage trading value is the sum of trades on the three major exchanges and JASDAQ. Monex is the sum of Monex Securities and Nikko Beans.

Kabu.com Securities merged with MeNet Securities on January 1, 2006.

Diversified profit structure:

Brokerage & Investment Banking First Quarter Highlights (3)-a

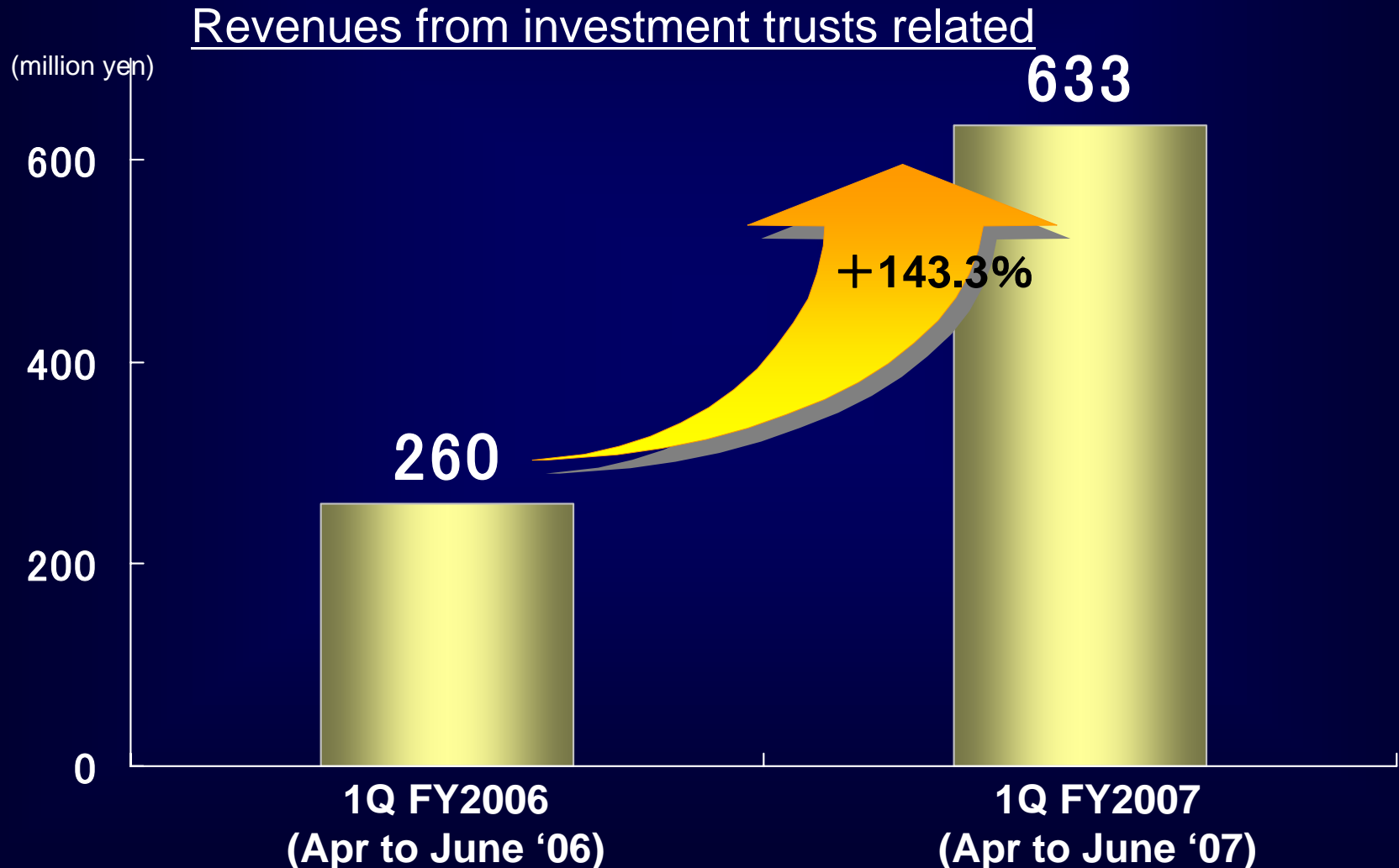
Net financial income increased 24.2% YoY to ¥4.0 billion due primarily to growth in financing from own capital



Diversified profit structure:

Brokerage & Investment Banking First Quarter Highlights (3)-b

Investment trust related revenues up 143.3% YoY due to significant increases in sales commissions and trust fees



*Sum of sales commissions and trust fees (trust fees include management reserve fund (MRF))

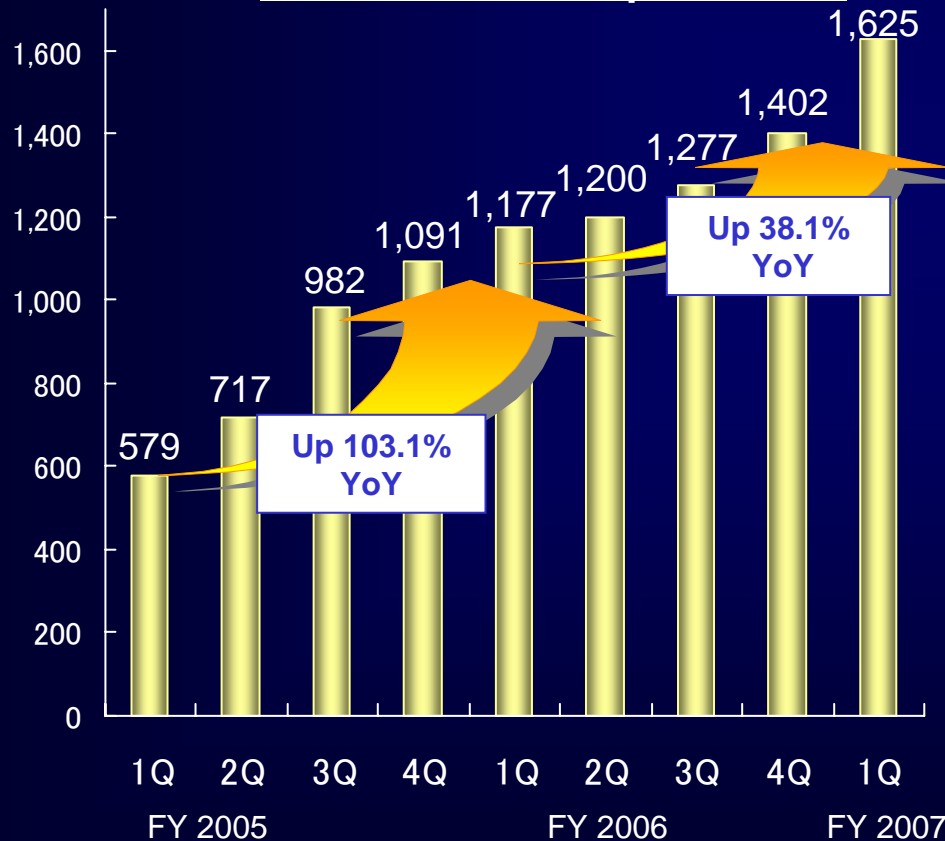
Diversified profit structure:

Brokerage & Investment Banking First Quarter Highlights (3)-c

Owing primarily to significant growth in sales of no-load funds, trust fees recorded a 251.3% YoY increase, which dwarfed the increase in the balance of assets

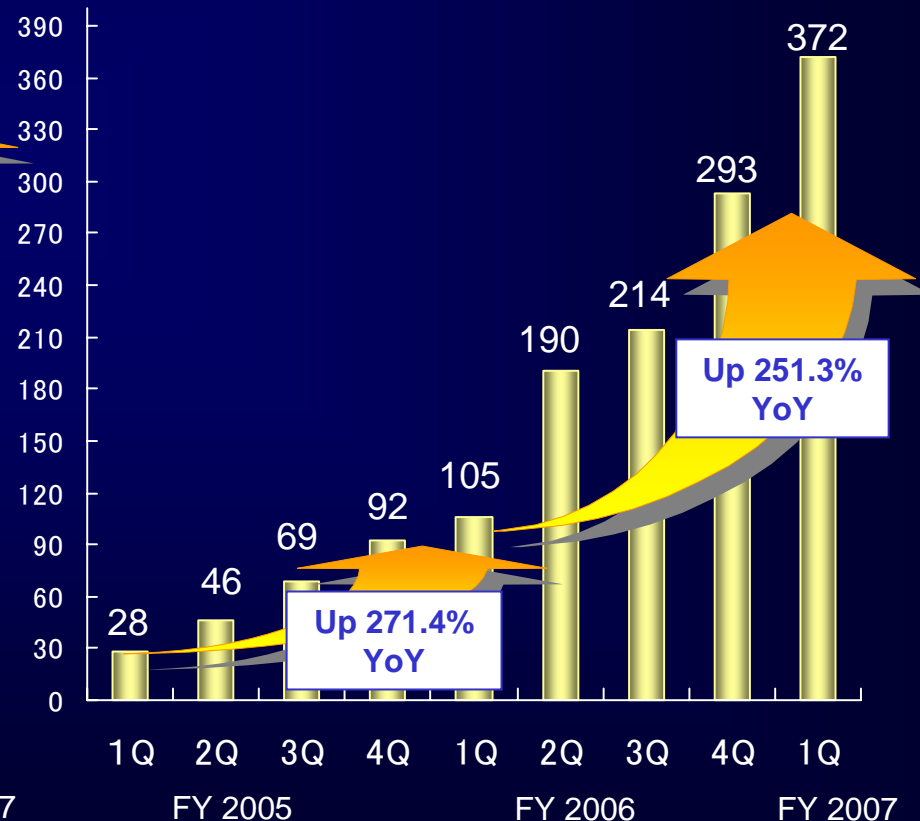
Change in balance of investment trusts as of each quarter end

(100 million yen)



Growth of quarterly trust fees of investment trusts

(million yen)



*Includes MMF and Medium-term Government Securities Fund

*Includes MMF, MRF and Medium-term Government Securities Fund

Diversified profit structure:

Brokerage & Investment Banking First Quarter Highlights (3)-d

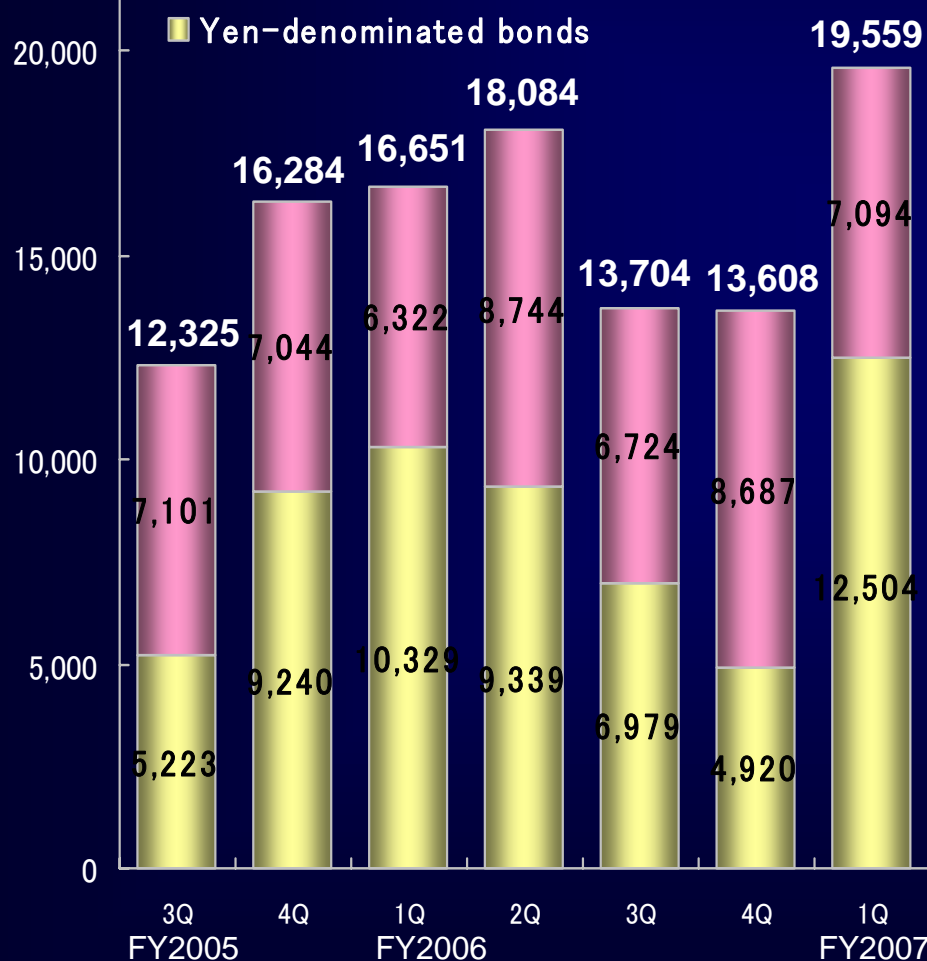
Bond sales rose to quarterly record-high ¥19.5 billion primarily due to strong sales of government bonds for individuals

Sales of bonds (gov't, corporate and foreign)

(million yen)

Foreign-currency bonds

Yen-denominated bonds



Yen-denominated bonds

Very strong sales of corporate and gov't bonds for individuals

Sales up 154% from previous quarter

Set new record for yen-denominated bond sales on quarter basis

Foreign-currency bonds

Sales of South African rand bonds and exchangeable bonds remained high

Combined sales of yen and foreign bonds set a new record

*Revenue from gov't bonds for individuals includes underwriting and selling commissions. Above figures include brokerage sales.

Brokerage & Investment Banking First Quarter Highlights (4)

YoY revenue growth of 52.5% at subsidiary E*TRADE Korea

(million yen)

	1Q FY2006 (Apr to June 2006)	1Q FY2007 (Apr to June 2007)	YoY (%)
Operating revenues	1,502	2,291	+52.5
Net operating revenues	1,413	2,068	+46.3
Operating income	411	623	+51.6
Ordinary income	417	620	+48.5
Net income	316	384	+21.6

Note: Converted from won to yen using average exchange rate for operating results.

Brokerage & Investment Banking First Quarter Highlights (5)

SBI Japannext will soon launch its PTS

Approval received from Financial Services Agency on June 27, 2007



SBI Holdings

**The Goldman Sachs
Group Inc.**

50%

50%



PTS

(Proprietary trading system)

Currently establishing links and conducting tests with securities companies that will participate in the PTS. Operations scheduled to begin in late August.

Currently in discussions with several online securities companies regarding agreements concerning equity investments.

<Participants at launch of PTS>

Late August: Goldman Sachs, SBI E*TRADE

Early September: GMO Internet Securities

***A number of other securities companies are now preparing to establish links with this PTS**

(3) Financial Services Business

**Fiscal 2007 First Quarter
(Three months ended June 2007)**

Operating revenues: ¥8.1 billion (+47% YoY)

Operating income: ¥0.4 billion (-30% YoY)

Established businesses

Operating revenues: ¥5.3 billion (-2% YoY)

Operating income: ¥0.9 billion (+57% YoY)

New businesses

Operating revenues: ¥2.8 billion

Operating loss: ¥0.5 billion

Notes:

1. The above figures do not include eliminations for consolidation and the deduction of corporate expenses.
2. New businesses include banking, insurance, credit cards and lifestyle services.
3. Rounded to the nearest ¥100 million.

Financial Services First Quarter Highlights (1)

Publicly owned subsidiaries Morningstar Japan, Gomez Consulting and SBI VeriTrans continues their business expansion

(Unit: Million yen) Figures in parentheses are YoY change (%)

*1	Operating revenues	Operating income	Ordinary income	Net income
Morningstar Japan (1H FY07) *3	1,988 (+132.5)	419 (+59.2)	434 (+15.9)	226 (-26.9)*2
Gomez Consulting (1H FY07) *3	321 (+29.2)	113 (+38.3)	112 (+36.1)	66 (+35.5)
SBI VeriTrans (1Q FY07)	751 (+12.1)	151 (+14.0)	155 (+15.6)	92 (+16.5)

*1 Morningstar Japan figures are consolidated and Gomez Consulting and SBI VeriTrans figures are non-consolidated.

*2 Morningstar Japan merged with a subsidiary in FY06 and used accumulated losses at the subsidiary to reduce taxable income. This raised net income by lowering taxes as a pct. of income before income tax in the previous fiscal year, resulting in a YoY decline in 1H FY07 net income.

*3 Morningstar Japan and Gomez Consulting changed from a December to March fiscal year in 2007. Therefore, the current fiscal period for these two companies is the 15-month period from January 2007 through March 2008.

Financial Services First Quarter Highlights (2)-a

Financial comparison website business, primary through E-LOAN and InsWeb, are posting steady growth in transactions, as well as the number of participating insurance companies and products offered

First quarter

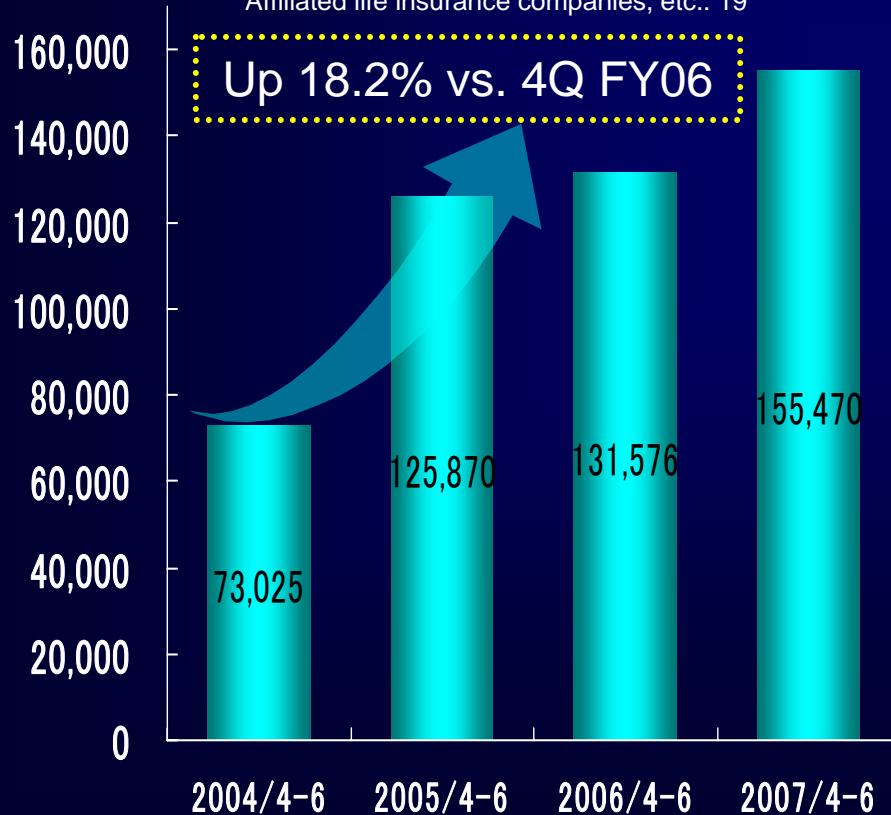


Growth in completed auto insurance estimates

(transactions)

Affiliated non-life insurance companies: 20
Affiliated life insurance companies, etc.: 19

Up 18.2% vs. 4Q FY06

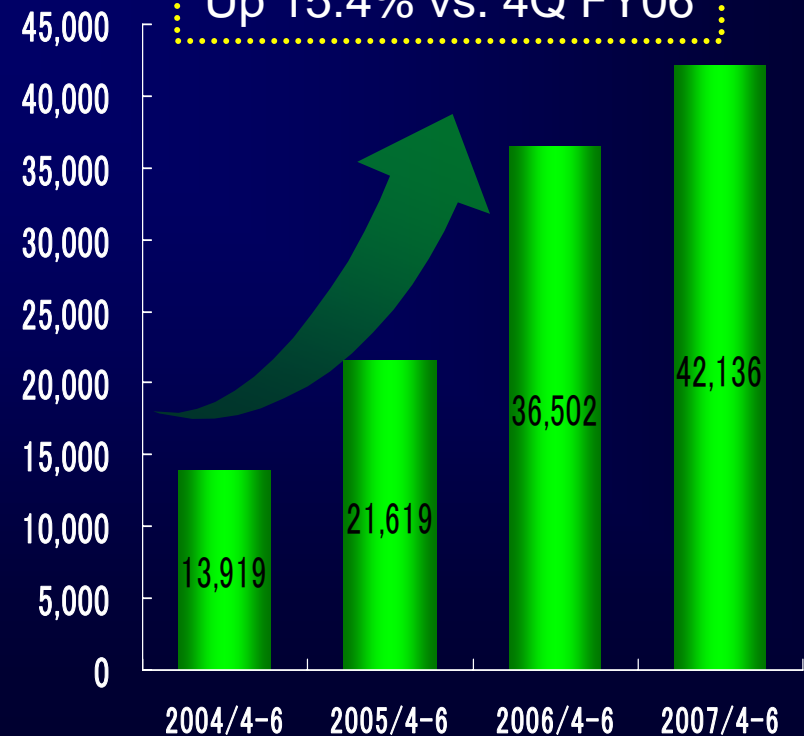


Growth in provisional loan applications

Affiliated financial institutions: 67
Types of loan products: 570

Up 15.4% vs. 4Q FY06

(transactions)



Financial Services First Quarter Highlights (2)-b

SBI Equal Credit's 1Q FY07 net income equaled 78% of its net income for FY06, owing to the popularity of the low-interest-rate loan "NEO" that was introduced in April 2007

Growth in loans

(million yen)

1Q FY2006

Revenues: ¥465 million

Net loss: ¥87 million

1Q FY2007

Revenues: ¥962 million

Net income: ¥98 million

(accounts)

FY2006

Revenues: ¥2,739 million Net income: ¥126 million

(June 30, 2007)

Loans outstanding: ¥17,355 million

Loan accounts: 49,123

Write-off ratio: 4.76%

- Balance of purchased loans (actual)
- Balance of directly originated loans (actual)
- ◆ Number of loan accounts (actual)

Popularity of low-interest-rate loan "NEO" introduced in April

November March September March September March
2005 2006 2007

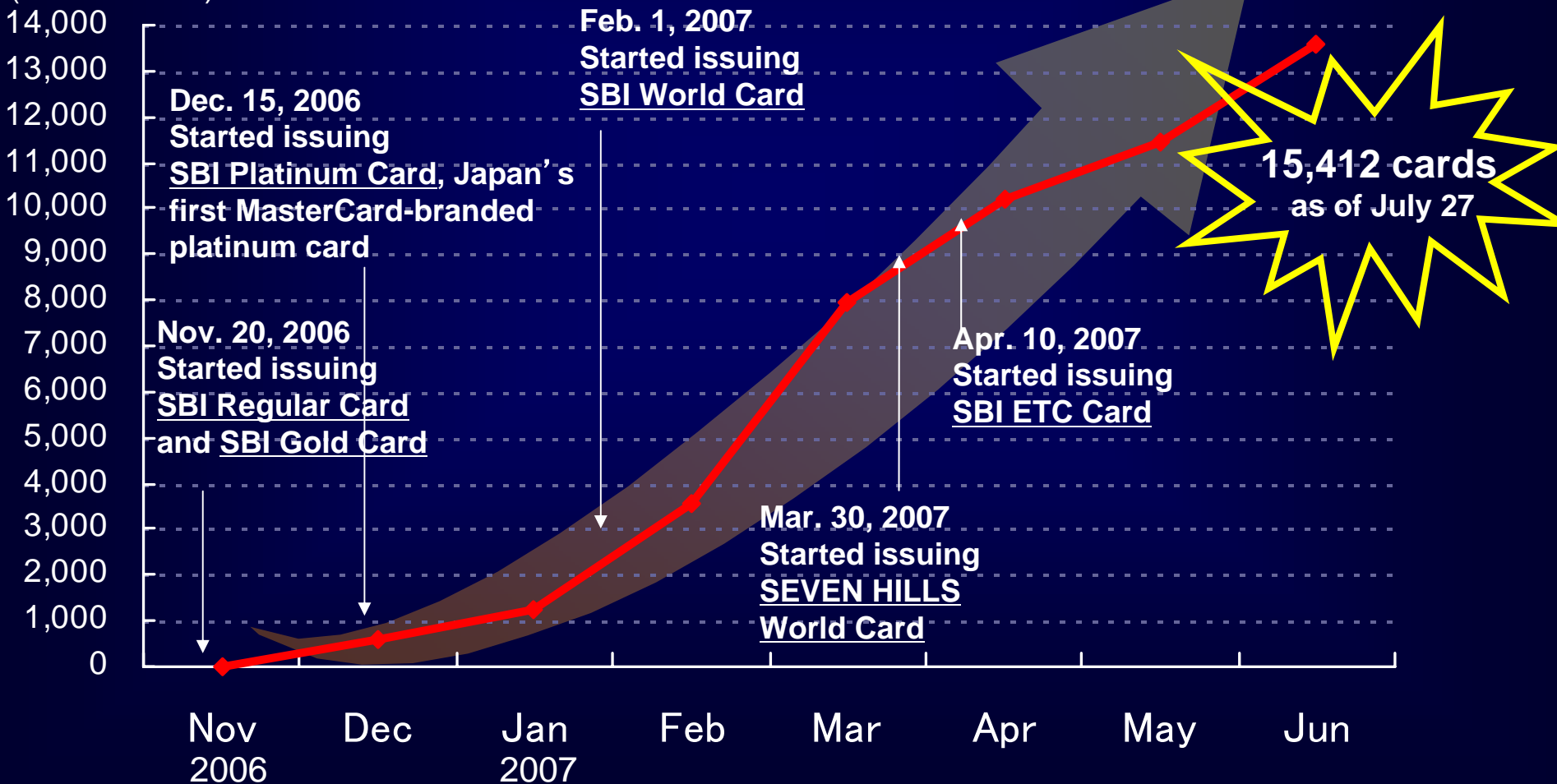
*Started operations on November 17, 2004

Financial Services First Quarter Highlights (2)-c

SBI Card issued a total of 15,412 cards (July 27), only about eight months after the start of operations. Furthermore, the cards are highly profitable, with a utilization rate of treater than 30% (in June 2007)

*Card utilization rate: Cardholders making purchases/All cardholders

(cards issued)



(4) Housing and Real Estate Business

Fiscal 2007 First Quarter

(Three months ended June 2007)

Operating revenues: ¥14.5 billion (+759% YoY)

Operating income: ¥2.2 billion (+323% YoY)

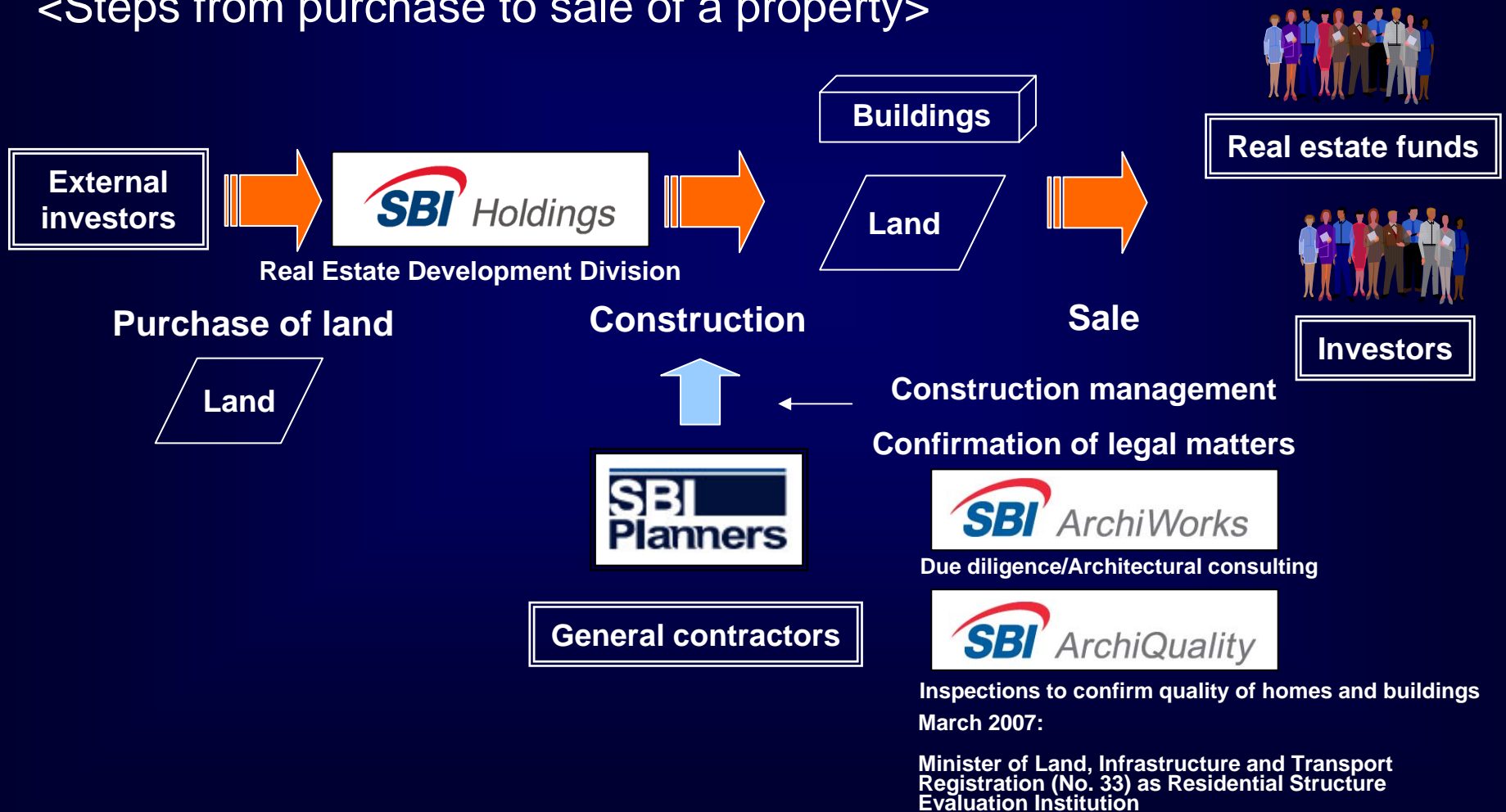
Notes:

- 1. The above figures do not include eliminations for consolidation and the deduction of corporate expenses.**
- 2. Rounded to the nearest ¥100 million.**

Housing and Real Estate First Quarter Highlights (1)

Strong sales of real estate developed for sale to funds due to strong demand in Japan's real estate investment market

<Steps from purchase to sale of a property>



Housing and Real Estate First Quarter Highlights (2)-b

Used expertise gained from securitization operations to develop the Real Estate Investment Loan, a fixed-rate loan with the industry's lowest level of interest rates for securitized loans. Launched offering of the loan product in October 2006.



Housing and Real Estate First Quarter Highlights (3)

Announced a friendly takeover bid for Living Corporation, which concluded comprehensive business alliance agreement in March 2007, for further expansion of real estate development business.

March 2007

Signed business alliance agreement



Real estate business



-Listing on TSE Mothers Market

-Market cap of ¥4,736million
(as of July 30, 2007)

Living Corporation

-Planning, development and sales of income-producing properties for investors

July 2007

Summary of Takeover Bid

Buyer: SBI Holdings

Target: Living Corporation

Purchase period: August 1 to September 3, 2007

Purchase price: ¥320,000 per share

Shares to be purchased: 8,700 (54.4% of all shares)

<Year ended December 2006>

Net sales: ¥8,075 million

Ordinary income: ¥539 million

Living Corporation is skilled in developing small and midsize properties and has engineering expertise. Gaining control of this company will better allow the SBI Group to expand its real estate development business.

3. Strategic Initiatives of the SBI Group

I. Global Expansion in All Business

II. Progress Report on the Three New Major Businesses and Establishment of Framework for Providing Support Once Operations Begin

I. Global Expansion in All Business

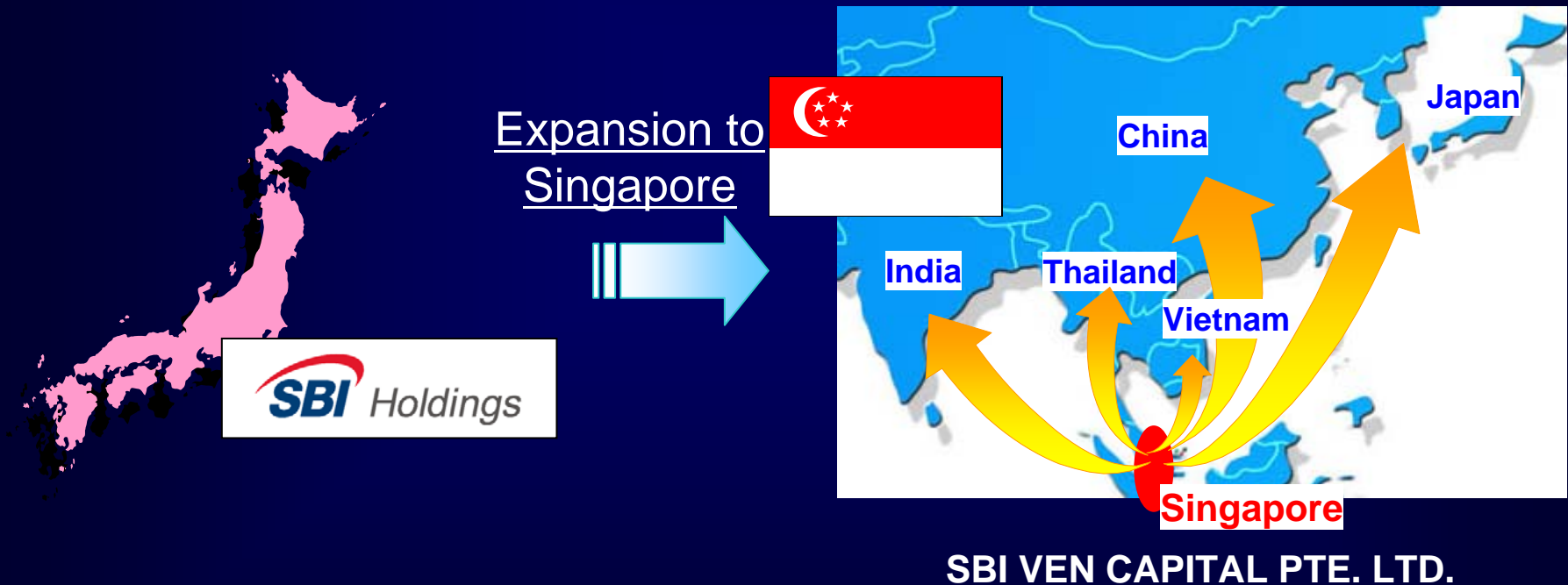
- (1) “Asset Management Business” Establish Framework for Global Venture Capital Investments
- (2) “Brokerage & Investment Banking Business” Continue to Increase Overseas Investments
- (3) Establish Global Research Infrastructure and Global Distribution Framework for Economic and Financial Information

(1) “Asset Management Business” Establish Framework for Global Venture Capital Investments

The SBI Group is targeting overseas operations to account for one-third of profits within three years and one-half of profits within five years. Realizing these targets will provide us with a highly productive asset management structure that does not rely solely on emerging markets in Japan.

Launched Singapore Investment Operations in May 2007

Expect to establish a fund with assets of ¥30 billion to ¥50 billion in Singapore, and make investments primarily in Asian countries with rapidly growing economies



Fund solicitation already in progress

Preparing for IPOs by Portfolio Companies in Singapore

Japanese Markets:

Introduction of J-SOX ^(*2) (Japanese version of SOX)(*1)

- (1) Will produce a big increase in expenses for small companies that need to establish compliance systems prior to an IPO
- (2) Will lengthen the time needed for small companies in Japan to prepare for an IPO



Utilization of Singapore market instead

Singapore Exchange opens its stock exchange to overseas small/midcap stocks

“The Singapore Exchange (SGX) on May 23 announced that it will open its SESDAQ second-section market, originally intended for local small and midcap stocks, to overseas companies. The goal is to increase the size of SGX by aggressively courting listings of overseas companies in Asia and elsewhere that are backed by venture capital firms. “

(excerpt from Nihon Keizai Shimbun, May 25, 2007)

(*1) Passage of corporate reform legislation to prevent fraudulent accounting practices and other compliance problems

(*2) (Will apply to all publicly owned companies and their consolidated subsidiaries beginning with fiscal years starting on or after April 1, 2008)

Alliance with FPT, Vietnam's Largest Info-tech Group



FPT, largest IT group in Vietnam



**Market cap: Approx. ¥15 trillion dong
(approx. ¥116.9 billion using July 30, 2007 exchange rate)
Ranks fourth in Vietnam based on market cap**

Agreed to jointly establish an investment fund and fund management company

Profile of FPT - Activities:

Software development, system integration, telecommunications and Internet, training for engineers, mobile phone distribution, others

- Major alliance partners:

IBM, HP, Microsoft, Toshiba, Cisco, Oracle, Motorola, Samsung and many other multinational corporations

FPT Software (software services), FPT Software (software exports), FPT Elead (computers made in Vietnam) and VNEexpress.net (FPT) (electronic media) all rank first in their respective IT fields based on the 2006 IT Report of the Ho Chi Minh City Information Sciences Association.

Morningstar Japan Starts Hedge Fund Service

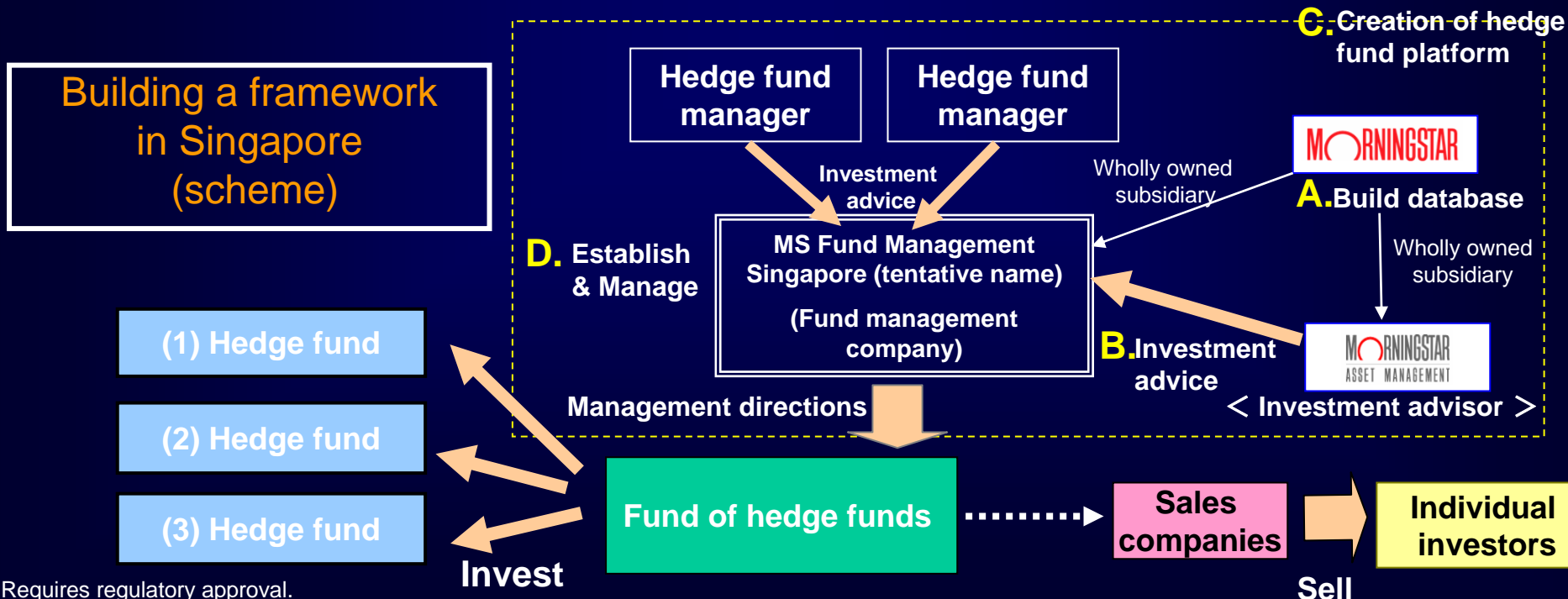
- A. Creation of database for Japanese hedge funds
- B. Investment advisory service for hedge fund fund-of-funds
- C. Creation of Japanese hedge fund platform to assist hedge fund managers who want to operate independently

Plan to establish a platform to provide support in fund procurement, back office operations, marketing strategies and other activities for hedge fund managers who want to create their own funds

(Morningstar Japan hedge fund service article in Nihon Keizai Shimbun, July 31, 2007)

- D. Establish an investment company in Singapore to manage a fund of funds

article



Progress in Building a Global Investment Infrastructure

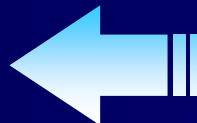
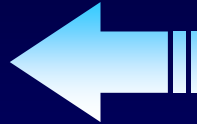


Building a global portfolio through geographic diversification

- Select markets with potentially high returns on capital
- Diversify risk exposure

**(2) “Brokerage & Investment Banking Business”
Continue to Increase Overseas Investments**

Started Sales of SBI India & Vietnam Stock Fund



Establishment &
management



- Started sales in June 2007 with initial limit of ¥20 billion
- SBI E*TRADE SECURITIES fund sales totaled about ¥15 billion
(sales closed with target achieved)
- Follow-up sales began on July 25
=> Approximately ¥1.5 billion of investments gathered in follow-up sales for the fund as of July 30

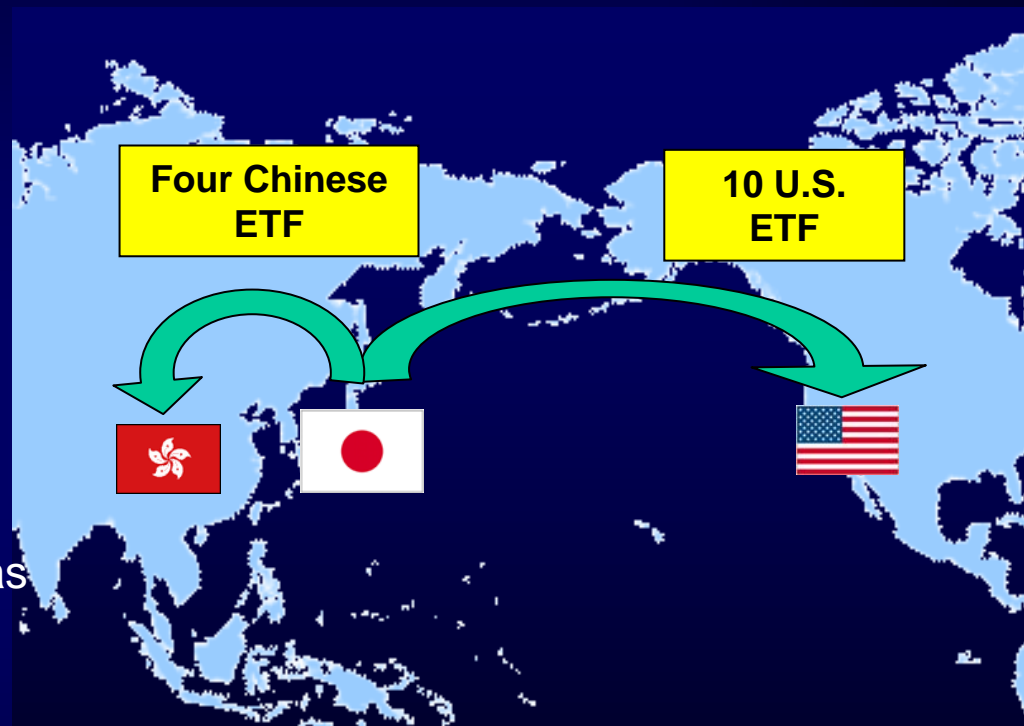
Strong sales due to the high level of interest among investors
in the rapidly growing economies of India and Vietnam

SBI E*TRADE Started Selling Overseas ETF

Launched sales of U.S. ETF on June 19 and Chinese (Hong Kong) ETF on June 29

< Advantages of overseas ETF >

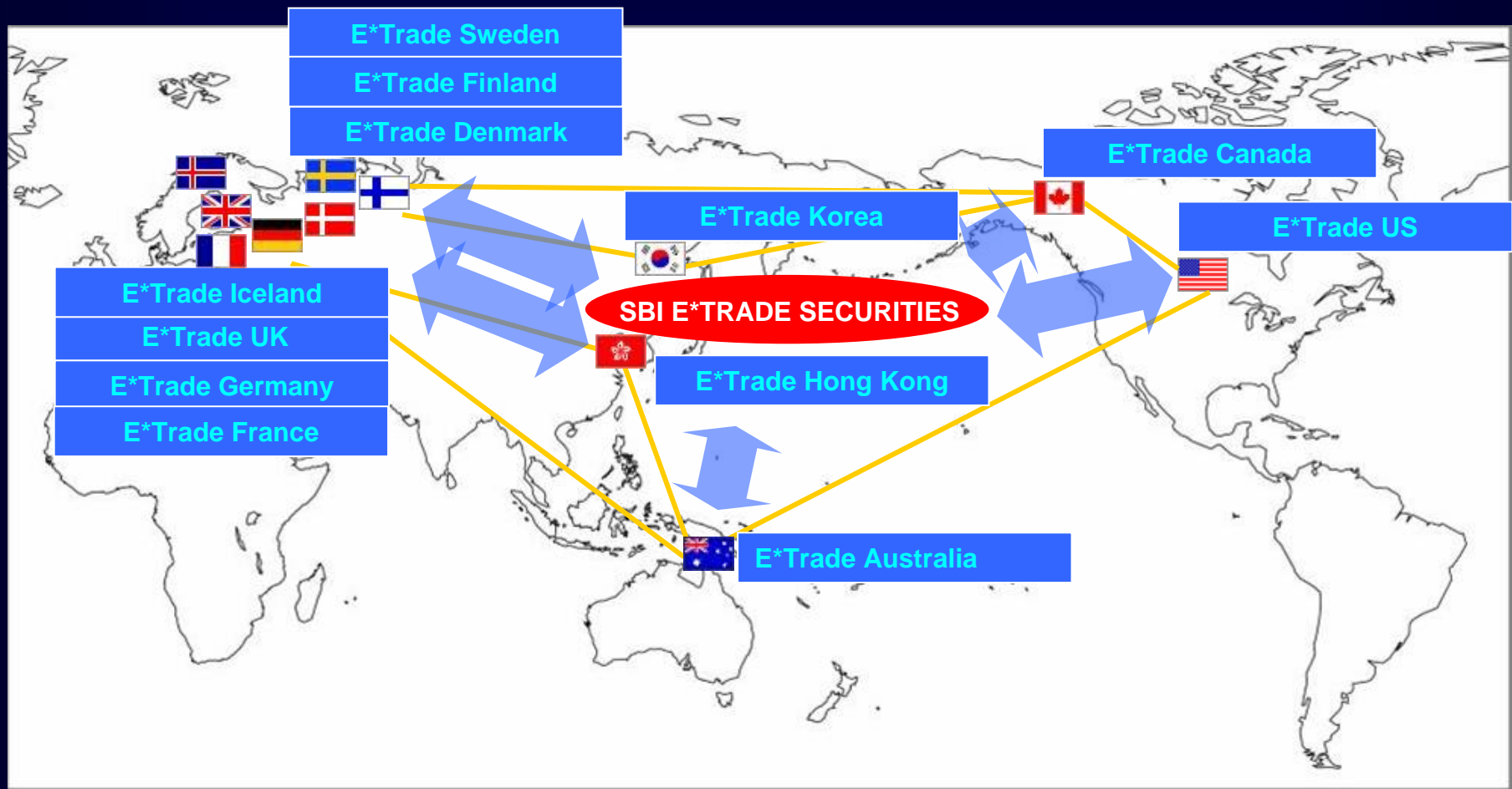
1. Index-linked management makes ETF easy to understand
2. Can purchase using limit orders just as with overseas stocks
3. Trust fees are lower compared to investment trusts
4. SBI E*TRADE customers can buy ETF at the industry's lowest commission rate, just as with overseas stocks
5. ETF can be held as a foreign-currency investment



ETF share of all foreign stock trades executed by SBI E*TRADE (Since launch of service to July 27)

- U.S. ETF		42.1%
- Chinese (Hong Kong) ETF		7.1%

Toward Structuring a Global Brokerage Infrastructure Through the U.S. E*Trade Network



<At present>

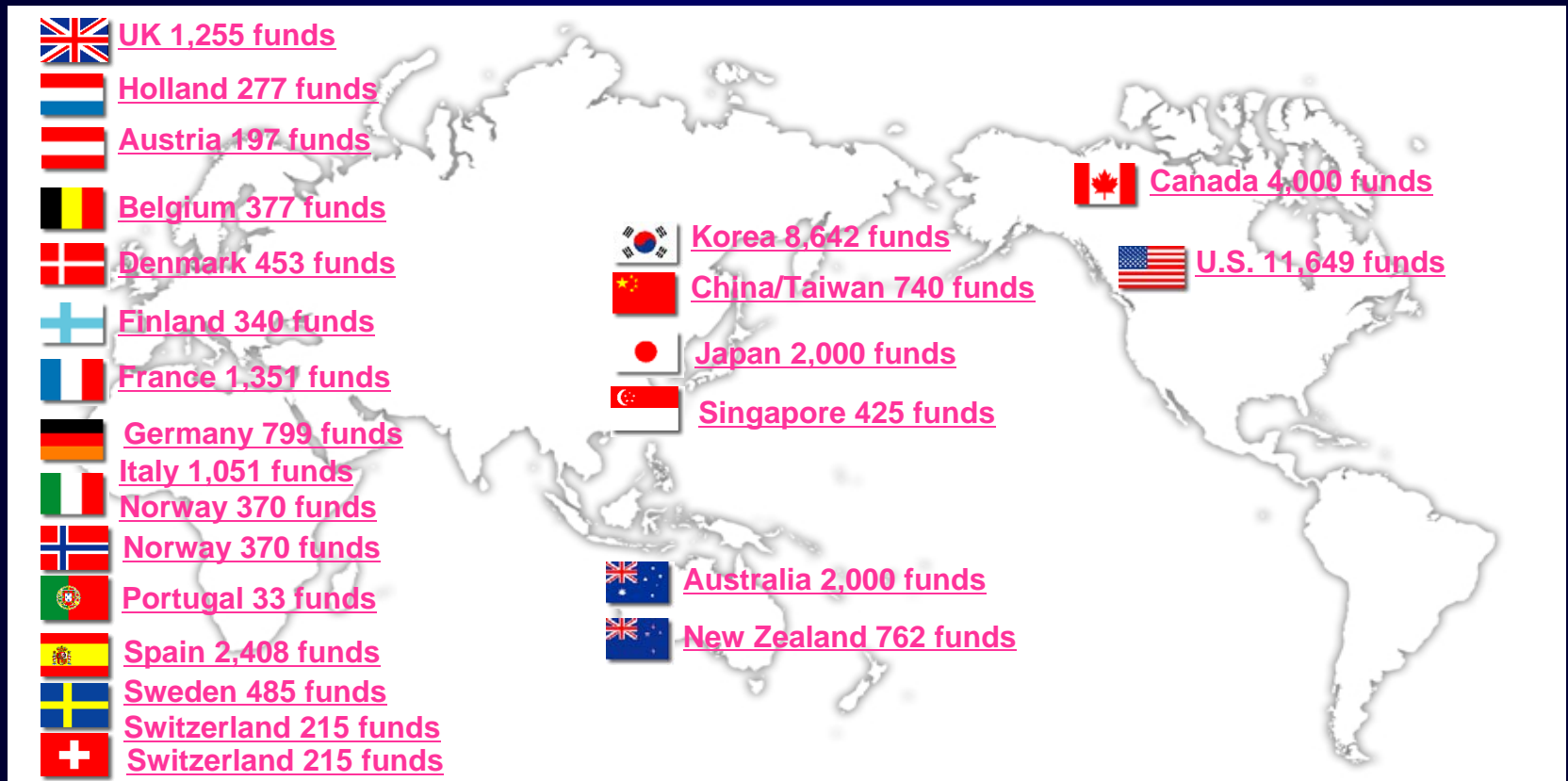


**(3) Establish Global Research Infrastructure
and Global Distribution Framework for
Economic and Financial Information**

Utilizing the Global Network of Morningstar

Share databases to cover more than 42,000 funds in 19 countries from 18 bases worldwide

- Providing information on overseas fund holdings of listed Japanese companies
- Started supplying Japanese translations of U.S. equity analyst reports in January 2007 (18 U.S. companies as of June 30, 2007)



II. Progress Report on the Three New Major Businesses and Establishment of a Framework for Providing Support Once Operations Begin

(1) Progress Report

(2) Support Framework for Three New Major Businesses

(2)-i Support using group resources

(2)-ii Asset management support

(2)-iii IT systems and administrative support

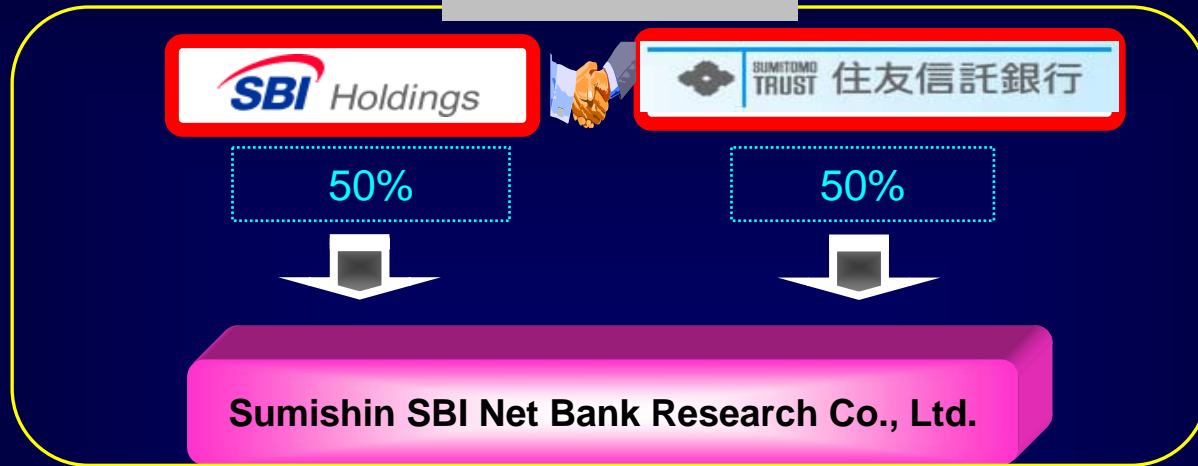
(2)-iv Marketing support

(1) Progress Report

Joint Ventures with Leading Companies in 2006

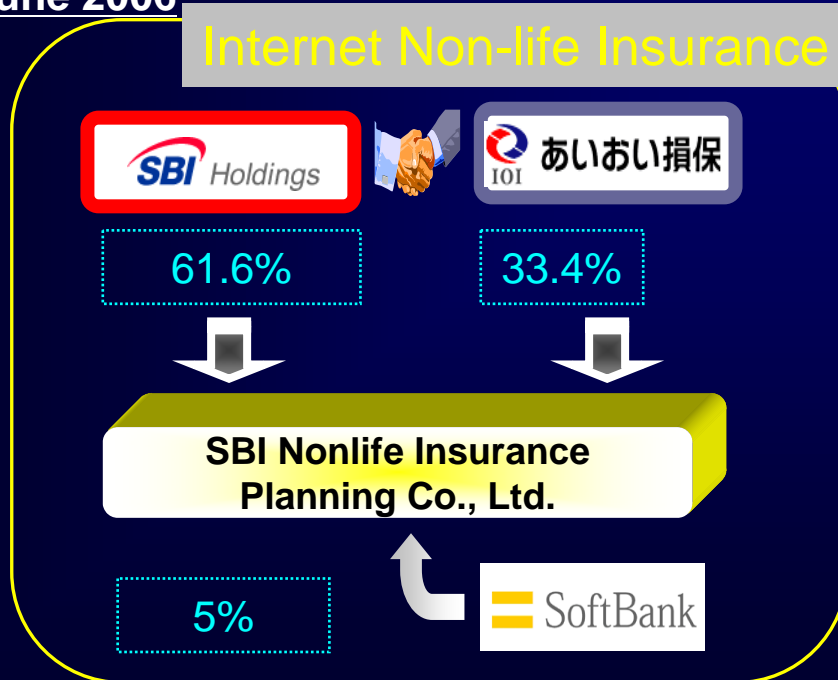
Established April 2006

Internet Bank



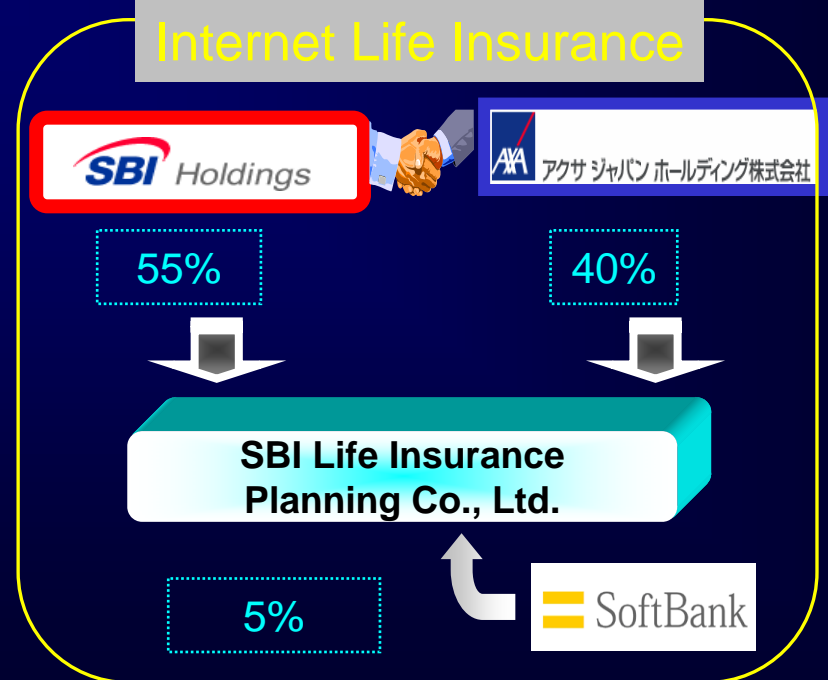
Established June 2006

Internet Non-life Insurance

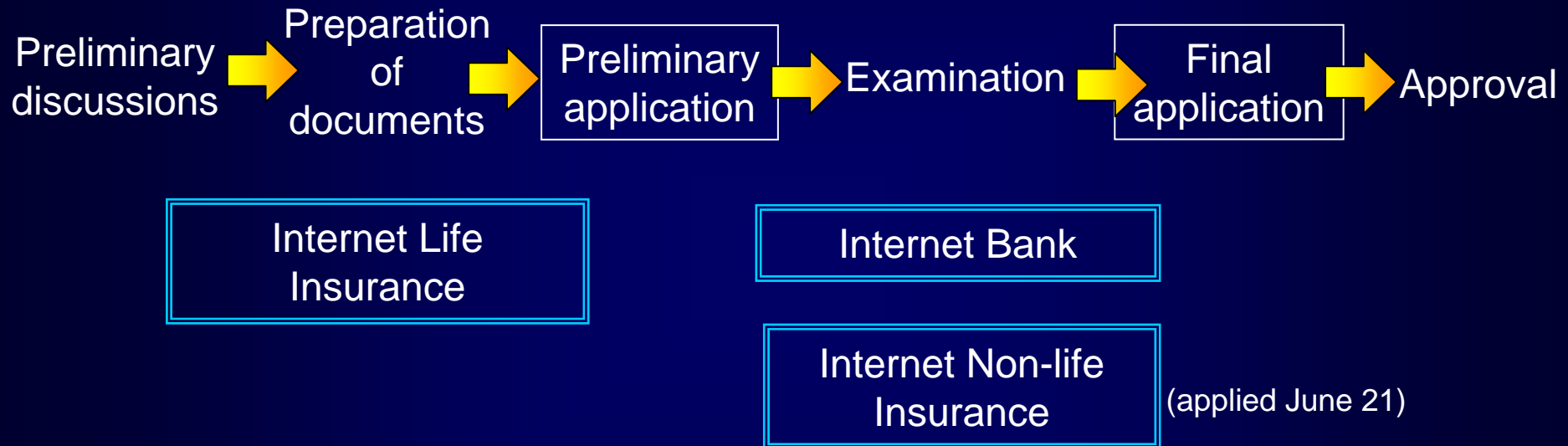


Established October 2006

Internet Life Insurance



Progress Toward Receiving Regulatory Approval (1)



Progress Toward Receiving Regulatory Approval (2)

Internet Bank

Now testing operating systems, and expects to complete inspections of systems in August. The final application will then immediately be submitted and expects to launch operations by end of FY07/1H.

Internet Non-life Insurance

Now testing operating systems. After completing the preliminary examination, will immediately submit a final application, and expects to launch operations by end of FY07/1H.

Internet Life Insurance

Now assembling operating systems and preparing for a preliminary application. Expects to receive a business license in FY07/2H.

Note: Fiscal Year ("FY") ends March 31 of the following year

(2) Support Framework for Three New Major Businesses

- (2)-i Support using group resources
- (2)-ii Asset management support
- (2)-iii IT systems and administrative support
- (2)-iv Marketing support

(2)-i Support Using Group Resources

- (1) Establishment of Group Synergy Dept.
- (2) Provision of account aggregation covering the entire SBI Group
- (3) Establishment of Financial Conglomerate Governance Dept.
- (4) Establishment of Risk management Dept. and Compliance Dept.

(1) Establishment of Group Synergy Dept. (June 2007)

For the pursuit of synergies among group companies on the same vector

Role & Long term target :

1. Build highly effective group operating systems and organizations that are better capable of creating further synergies
2. Help maximize earnings by raising operating efficiency and cutting costs
3. Cultivate business domains with high growth potential by pursuing not only the SBI Group synergies, but also synergies with overseas subsidiaries (Singapore and China), the Softbank Group, fund portfolio companies, and alliance partners in Japan and overseas
4. Integrating Internet and Brick-and-Mortar (face-to-face) businesses to offer products and services to meet customers' needs

(2) An Account Aggregation System Covering the Entire SBI Group - a

- The key to future cross-selling activities utilizing database marketing -



“MoneyLook,” an account aggregation software

Profile of MoneyLook :

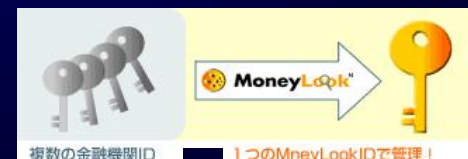
Allows use of a single ID and password for the Internet services of a bank, securities company and other financial service providers. Customers can view balances, recent transactions and other account data with a one-click convenience.

The screenshot displays the MoneyLook web application interface. It features a navigation menu on the left with options like '口座管理' (Account Management) and 'ポートフォリオ' (Portfolio). The main content area shows a table of aggregated accounts from various financial institutions, including SBI Bank, SBI Securities, and SBI Life Insurance. The table columns include account type, institution name, account number, balance, and transaction history. A summary section at the bottom provides an overview of the user's total assets and liabilities.

口座種別	口座番号	口座名義	残高	更新日時	取引
★ジャパンネット銀行	001	普通預金	500,000	10/27 11:24	取引あり
★ジャパンネット銀行	002	定期預金	500,000	10/27 11:25	取引あり
★みずほ銀行インターネット支店	1214567	普通	50,000	10/27 11:25	取引あり
★みずほ銀行インターネット支店	1214567	貯蓄	100,000	10/27 11:25	取引あり
★みずほ銀行インターネット支店	1214567	定期	200,000	10/27 11:25	取引あり
★みずほ銀行インターネット支店	1214567	定期	300,000	10/27 11:25	取引あり
★みずほ銀行インターネット支店	1214567	定期	1,000,000	10/27 11:25	取引あり
★みずほ銀行インターネット支店	1214567	定期	2,000,000	10/27 11:25	取引あり
★みずほ銀行インターネット支店	1214567	定期	3,000,000	10/27 11:25	取引あり
★みずほ銀行インターネット支店	1214567	定期	4,000,000	10/27 11:25	取引あり
★みずほ銀行インターネット支店	1214567	定期	5,000,000	10/27 11:25	取引あり

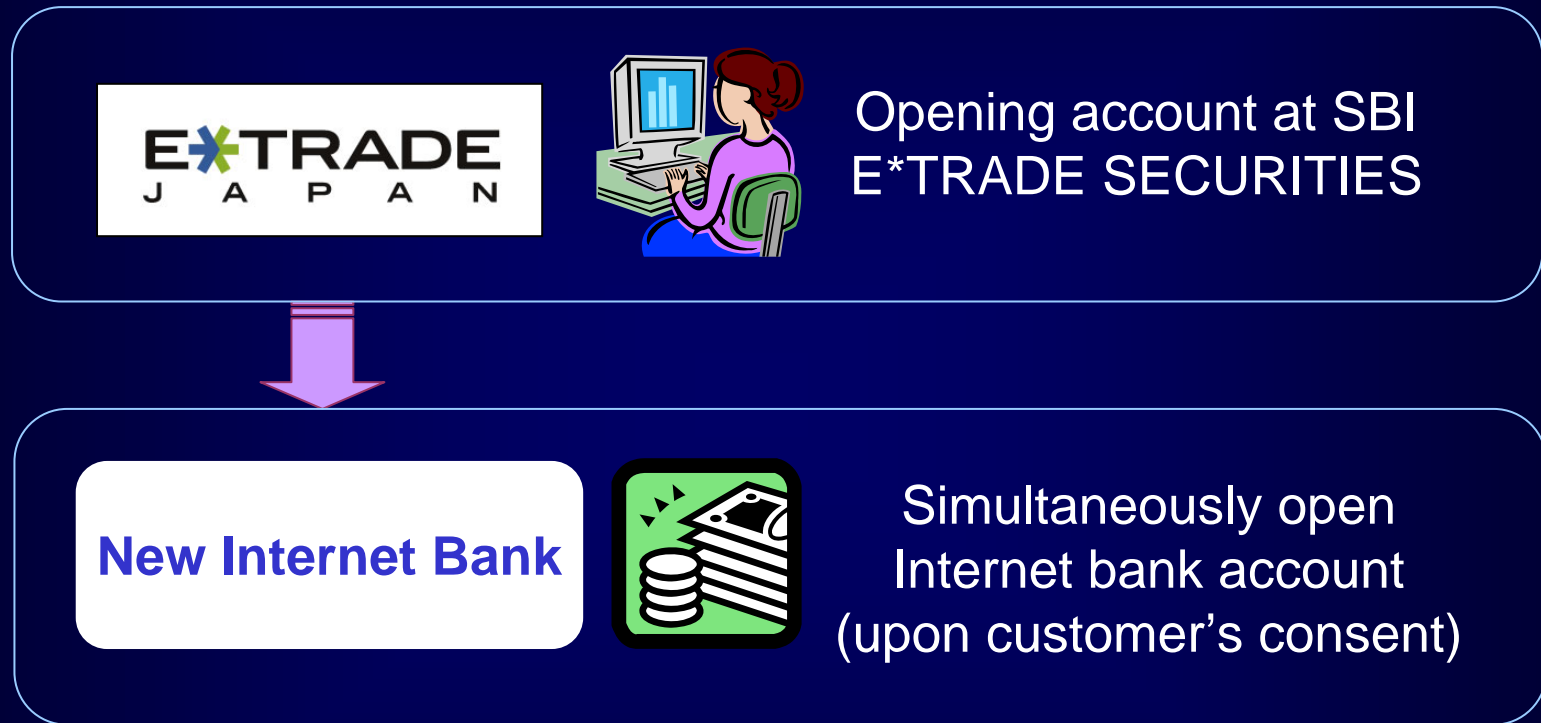
[Major features]

- (1) Account management
- (2) RSS reader
- (3) Portfolio function
- (4) e-mail
- (5) Reward Points
- (6) Screen customization



(2) An Account Aggregation System Covering the Entire SBI Group - b

Example :



Goal is to allow simultaneous establishment of multiple accounts at SBI Group companies, thereby improving customer convenience by eliminating troublesome procedures to open new new accounts

(3) Establishment of Financial Conglomerate Governance Dept. (June 2007)

- Building an organizational infrastructure commensurate with the administration of a financial conglomerate-

To strengthen group management oversight capabilities, ensuring financial soundness and proper business operations as the SBI Group prepares to enter the banking and insurance sectors



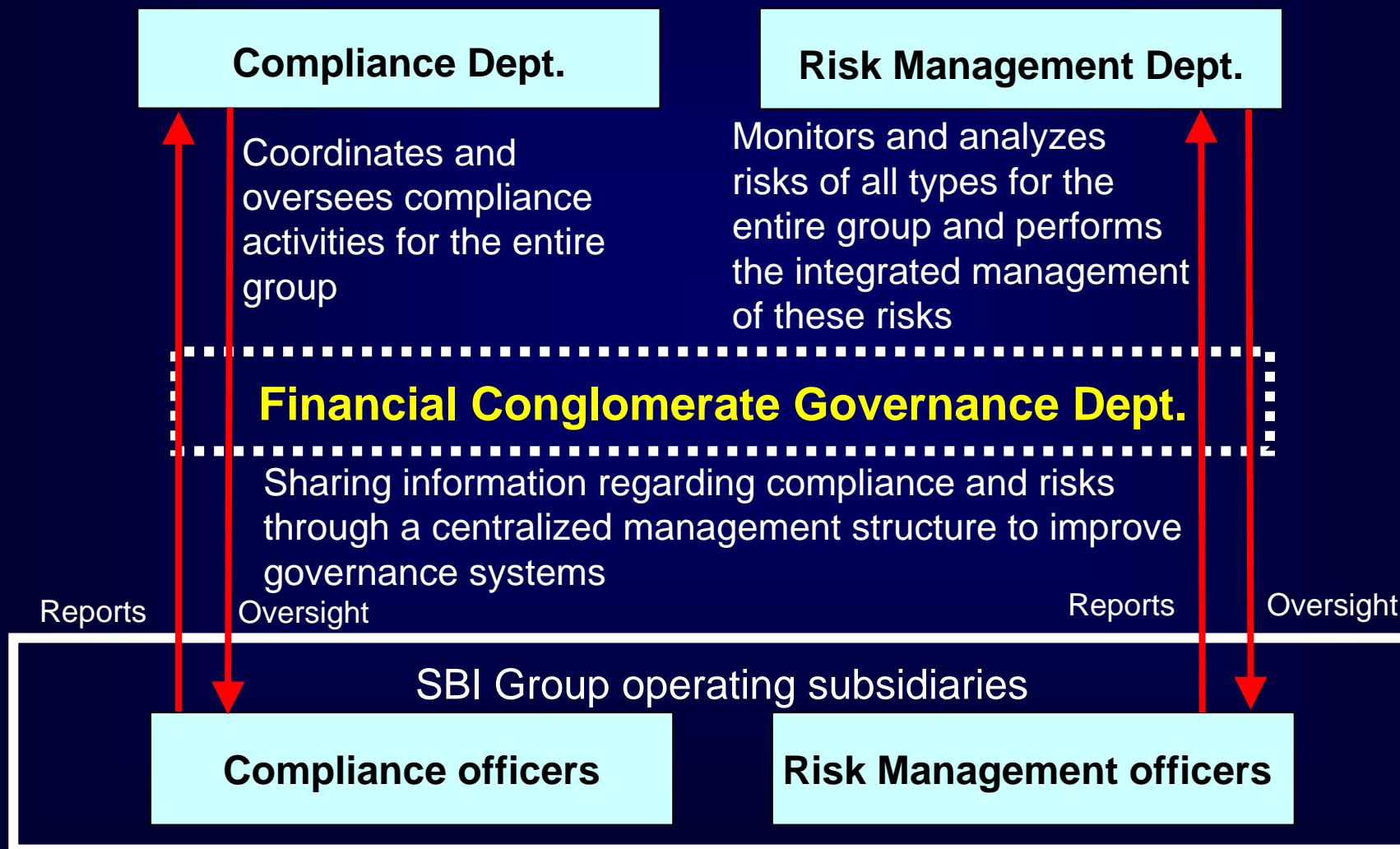
Definition of a financial conglomerate:

A group that includes financial institutions in two or more categories, including of banking, insurance or securities (including securities companies, asset management companies and investment trust management companies)

(Excerpt from June 2006 media announcement of Financial Services Agency)

(4) Establishment of Risk management Dept. and Compliance Dept. (August 2007)

- Building an organizational infrastructure commensurate with the administration of a financial conglomerate-



(2)-ii Asset Management Support

Japan's Internet Banks Still Face Challenges

-Return on assets is the key to profitability-

Year ended March 31, 2007

(million yen, YoY pct. change in parentheses)

	Operating revenues	Ordinary income	Net income
Sony Bank	19,470 (+13.0)	1,354 (-39.2)	1,023 (-68.6)
eBANK	13,709 (+28.9)	-544 (-)	-403 (-)
Japan Net Bank	15,338 (-6.0)	294 (-)	242 (-)
Seven Bank	75,427 (+16.7)	25,021 (+28.9)	12,667 (+19.6)

eBANK Reports Loss for First Time in Two Years



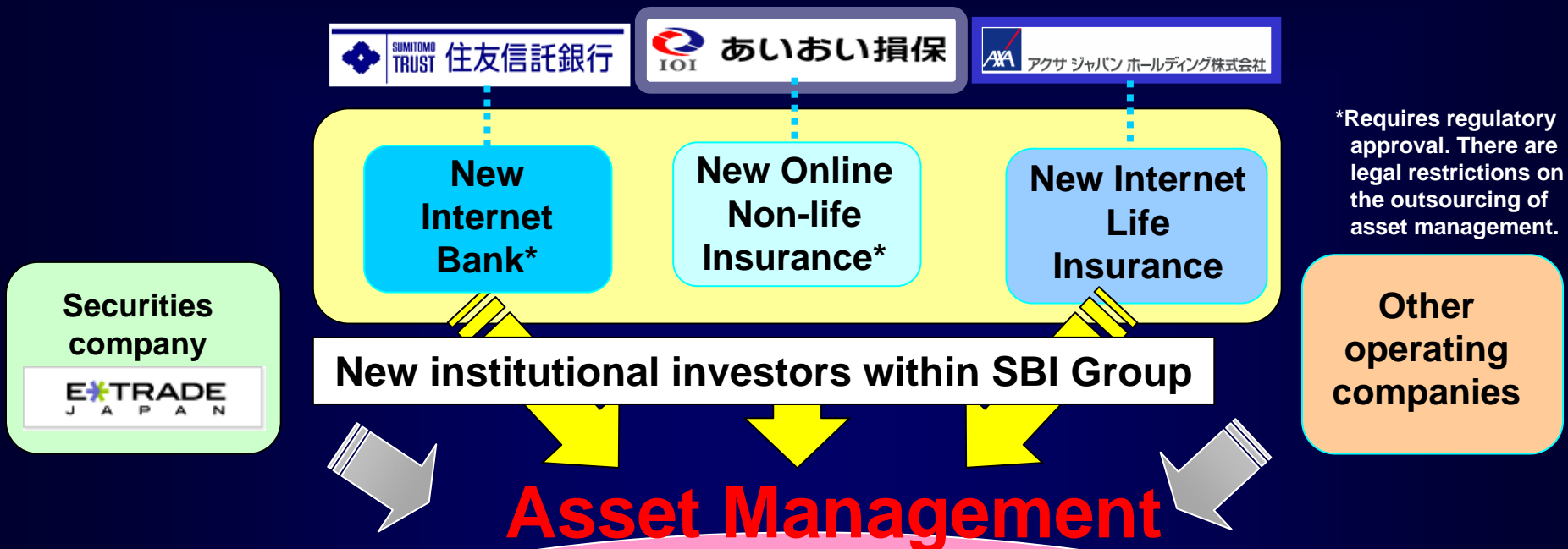
Cause of eBank's loss

*Mainly due to lower returns on
bonds and securitized products*

(excerpt from article on left)

(Nihon Keizai Shimbun, May 16, 2007)

Asset Management Operations at the SBI Group



SBI group's substantive management units

SBI Investment: Japan's largest venture capital firm



SBI Capital: Buyout funds with an average net IRR of greater than 20%



SBI Asset Management: Benefits from its position as an independent asset management firm



SBI Arsnova Research: A team of specialists with particular expertise in CDO (collateralized debt obligation)



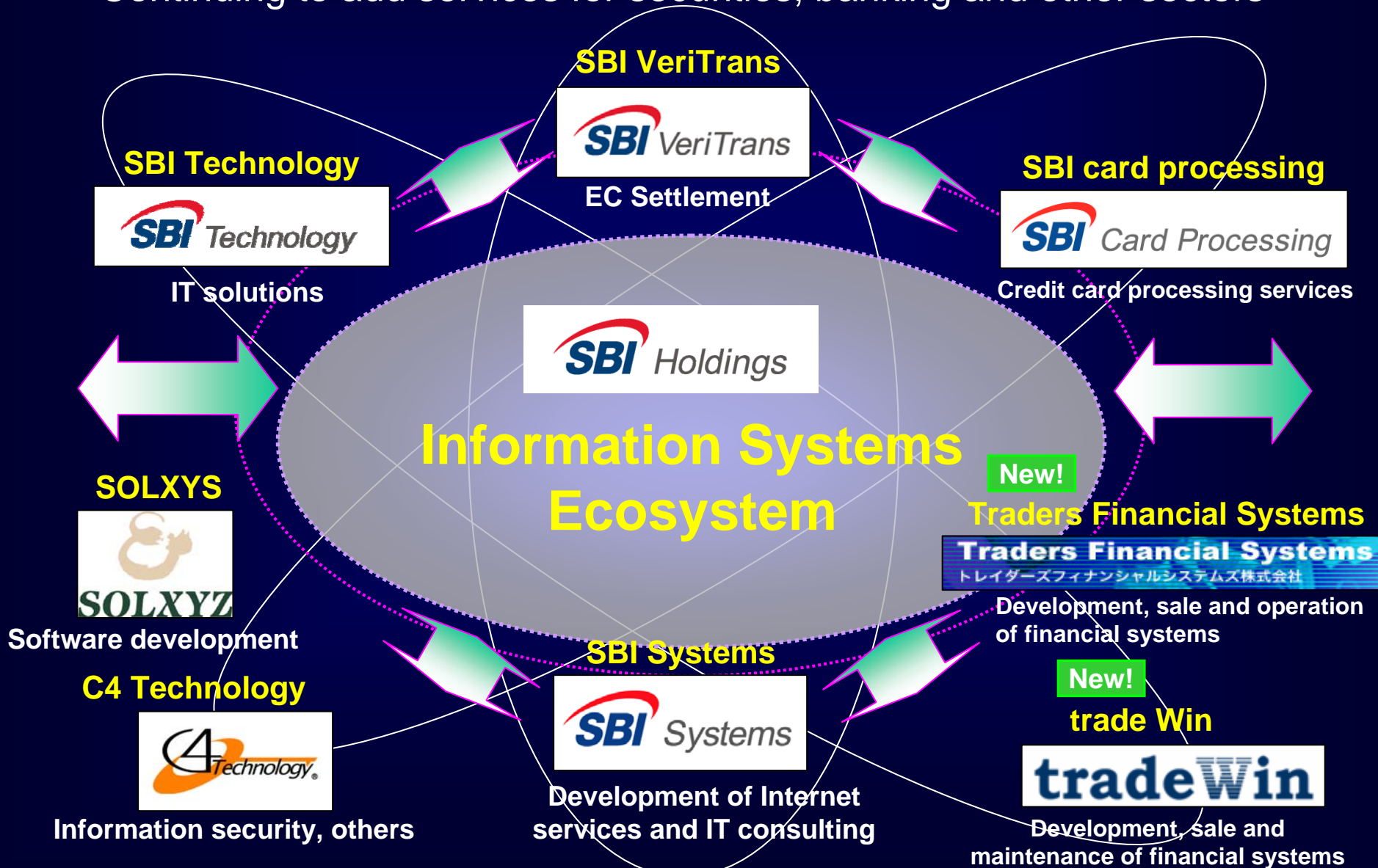
SBI Holdings: ...A pioneer in investments in new fields, such as BRIC countries and real estate

(2)-iii IT Systems and Administrative Support

- (1) Build information systems ecosystem to prepare for establishment of SBI Research (tentative name)
- (2) To offer a full line of website development services through Gomez Consulting
- (3) To provide support for business activities through SBI Business Support

(1) Build Information Systems Ecosystem to Prepare for Establishment of SBI Research (tentative name)

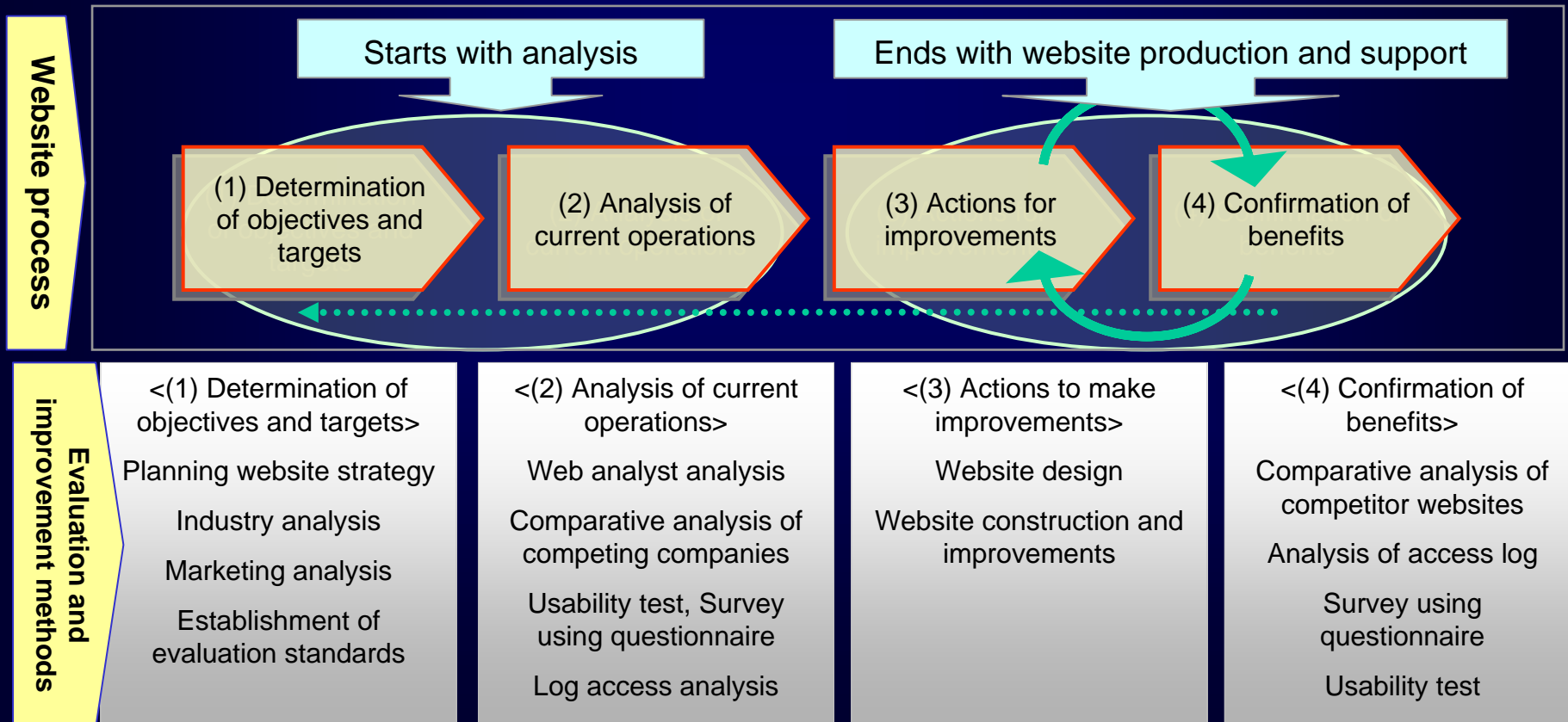
Continuing to add services for securities, banking and other sectors



(2) To Offer a Full Line of Website Development Services through Gomez Consulting

Gomez Consulting offers integrated services such as research, consulting and website development, with an in-house group of consultants and designers

-Will offer services to the Internet banks and insurers-



(3) Providing Support for Business Activities through SBI Business Support

Established April 2006

Activities and objectives

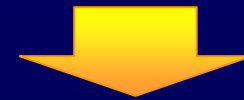
Outsourcing services for personnel and general administrative services at SBI Group companies, call center operations and other activities

Improve operating efficiency and cutting costs at group companies

Utilize human capital in the most productive manner and facilitate beneficial personnel transfers among group companies

Call Center Staff :

274 (April 2007)



Expansion due to start of new businesses

July 2007: Increased workforce by **60** (Internet bank)

Dec 2007: Plan to add another **15** (Internet life insurer)



コンタクトセンターが企業を中心

Customer Contact Solution Company

SBI ビジネスサポートは、法人向けコンタクトセンター事業を中心に、さまざまな金融サービスを提供する SBIグループへの人材派遣サービスなど、「企業」と「顧客」をつなぐトータル・ソリューションをご提供いたします。

(2)-iv Marketing Support

- (1) Marketing support utilizing Web2.0
- (2) Marketing support by the existing group companies
- (3) Seek new initiatives to achieve rapid growth

(1) Marketing Support Utilizing Web 2.0

The SBI Community “E*TRADE Chouja Mura” (E*TRADE Millionaire Village) Website

Rapid growth in registered members at Chouja Mura (E*TRADE Millionaire Village) due to improvements based on user feedback along with an offering of a variety of information, including blogs by SBI Group executives

(members)

45000

40000

35000

30000

25000

20000

15000

10000

5000

0

4/12

4/26

5/10

5/24

6/7

6/21

7/5

7/19

-Start of service: April 12, 2007
-Members: 43,122
-Avg. daily page views: 163,259
(July 1 to July 29)
-Monthly page views: 4.46 million (May)
4.6 million (June)

May 28
First
upgrade

June 5
Second
upgrade

June 14
Content
expanded

June 21
Third
upgrade

June 25 30,000
members
Started promotional
campaign

July 2
Fourth
upgrade

July 6 New
design

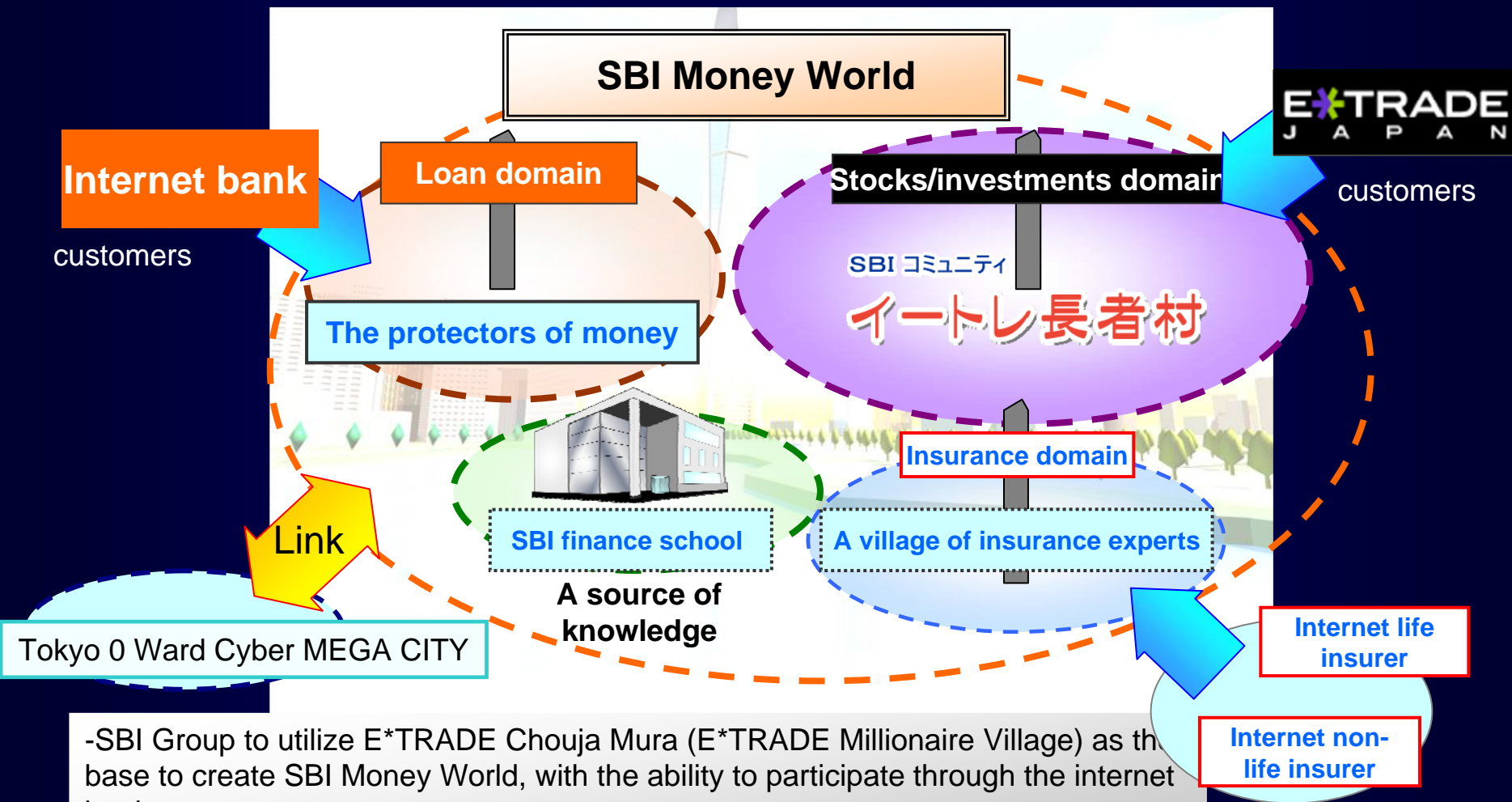
July 2
Fifth
upgrade

Steady growth
in members

(As of July 30, 2007)

Concept of The “SBI Money World”

Integrate SBI Group's communities to create Japan's largest financial SNS



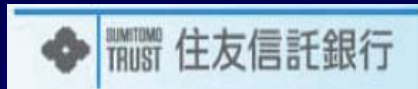
-SBI Group to utilize E*TRADE Chouja Mura (E*TRADE Millionaire Village) as the base to create SBI Money World, with the ability to participate through the internet bank.

-SBI Money World will be linked to “Tokyo 0 Ward Cyber MEGA CITY”, currently under development at SBI Robo.

(2) Marketing Support by the Existing Group Companies

- (a) SBI E*TRADE SECURITIES
- (b) SBI Money Plaza
- (c) SBI Mortgage
- (d) Autobytel Japan

SBI E*TRADE Plans to Start an Agency Business for the Services of the New Internet Bank



Sumishin SBI Net Bank Research Co., Ltd.

Capital: Approx. ¥14 billion

**Ownership: SBI Holdings 50%,
Sumitomo Trust 50%**

Sumishin SBI Net Bank Research plans to start banking operations during the first half of FY2007 (fiscal year ending March 31, 2008), and is currently in its processing stage..

Upon receiving its banking license, SBI E*TRADE plans to begin offering its banking agency service.

Possible services (tentative)

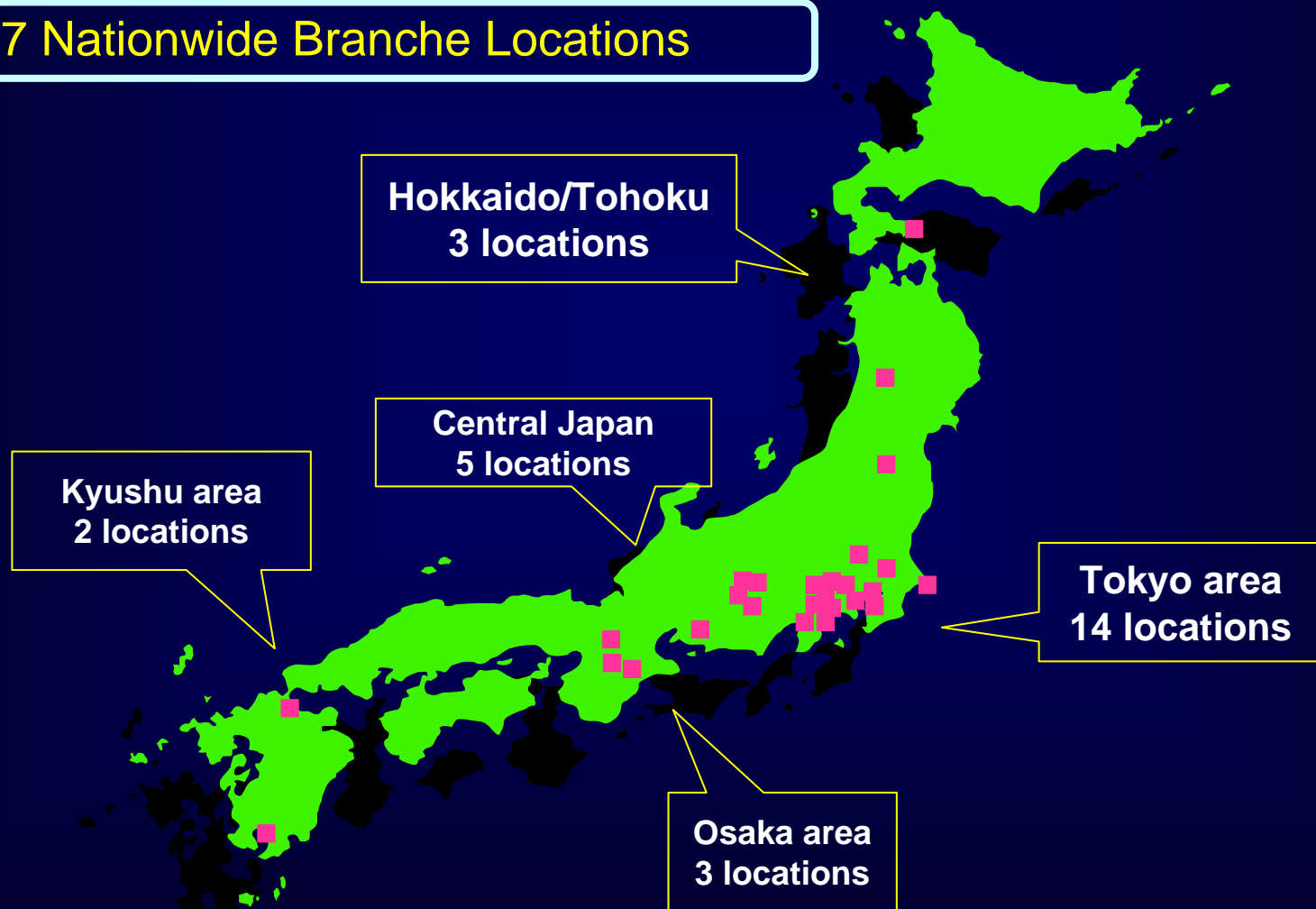
Closely link securities accounts and bank accounts

- Use a “sweep” service to simplify the transfer of funds; permit access to a securities and bank account with a single Internet sign on
- Use a secure network link to permit opening a bank account without submitting documents for proof of identity (assumes that identity has been confirmed when the securities account was opened)

SBI Securities(*) Network of Branches Will Also be Deployed for the Bank Agency Service

(*)SBI Securities Merge with SBI E*TRADE on Oct. 1, 2007

27 Nationwide Branche Locations



*Requires regulatory approval

(b) SBI Money Plaza

Established SBI Money Plaza as a Comprehensive Financial Product Distributor

First SBI Money Plaza opened on May 25, 2007

<Service lineup>

- Life and non-life insurance policies
- Housing loans product
- Information about SBI Card
- Information about SBI E*TRADE accounts and services
- Agent for purchase of paintings
- Consulting for study abroad and living abroad
- Internet broadcasts of seminars to earn official qualifications
- Yahoo! BB
- Softbank Mobile and others

<Services to be added> Information, agency services and sales for banking, securities and other financial services as permitted by laws and regulations

*Requires regulatory approval



The first SBI Money Plaza (Aoyama, Tokyo)

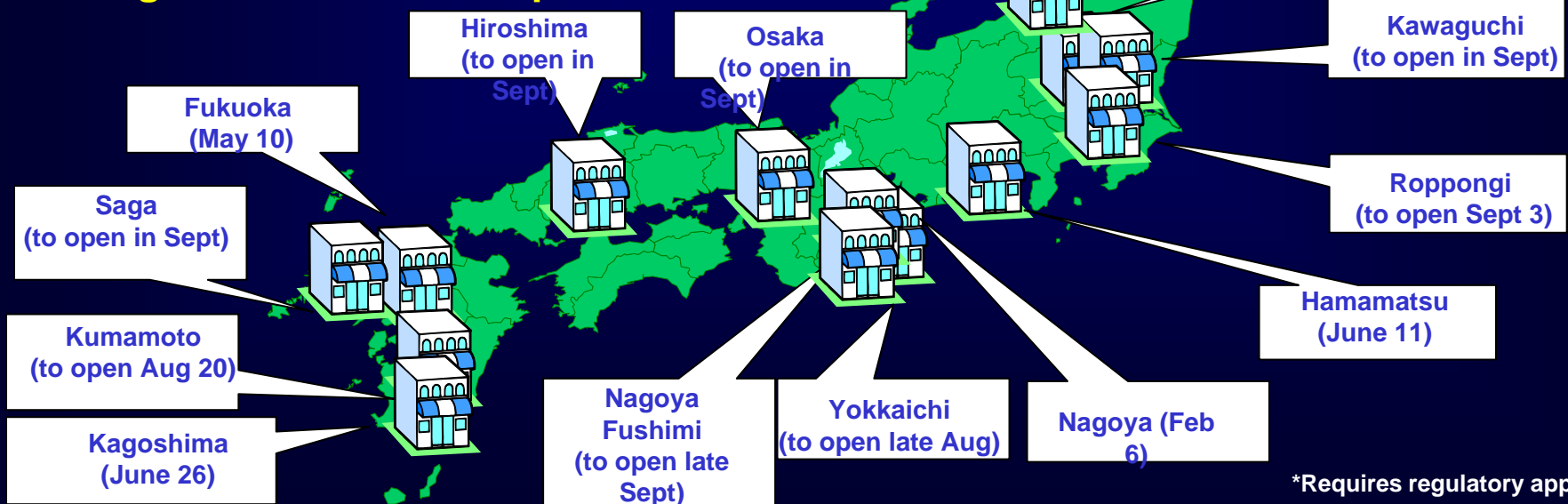
(c) SBI Mortgage

SBI Mortgage Started Operations by Using the Housing Loan Agent System and Plans to Add an Insurance Manager System in the Future



- Opened Five shops (Nagoya, Fukuoka, Hamamatsu, Kagoshima, Sapporo)
- Plan to increase network to 15 locations by end of FY07/1H
- Sales force
 - At shops: 34 (solely for loans)
 - At sales agents: Approx. 400 (including individuals who are also insurance agents)
- Planning to start an insurance manager system in the future to conduct insurance sales using SBI Mortgage shops

-Planning to sell all financial products in the future-



*Requires regulatory approval

Cross-selling of Auto-related Financial Products by Autobytel Japan

(auto insurance, auto loans, auto leases, others)

Profile of autobytel Japan K.K.

Activities: Internet auto purchasing service, primary for new cars

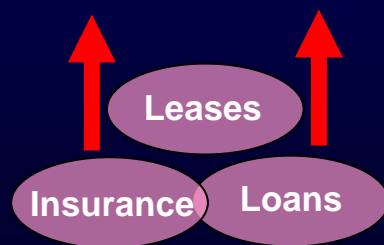
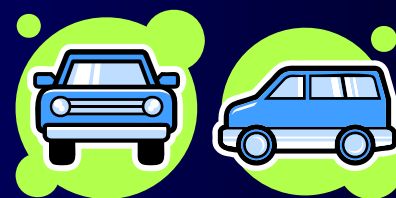
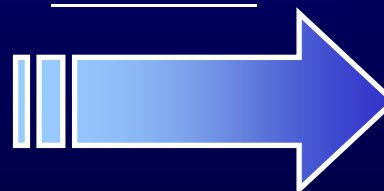
Ownership: SBI Holdings 25% (largest shareholder)

New car estimate service users: 2.03 million (FY2005)

Affiliated sales companies: 877 (March 31, 2007)



Internet
sales of
new cars



*Requires regulatory approval

(3) Seek New Initiatives to Achieve Rapid Growth

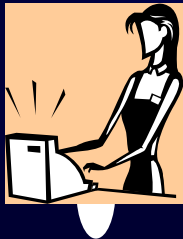
Use Alliances with Companies That Have Nationwide Office Networks to Rapidly Expand “Brick-and-Mortar (face-to-face)” Distribution Channels (tentative)



**Companies with
nationwide
office networks**

Example: Use the automated service machines at retailers that enables to distribute SBI Group financial products

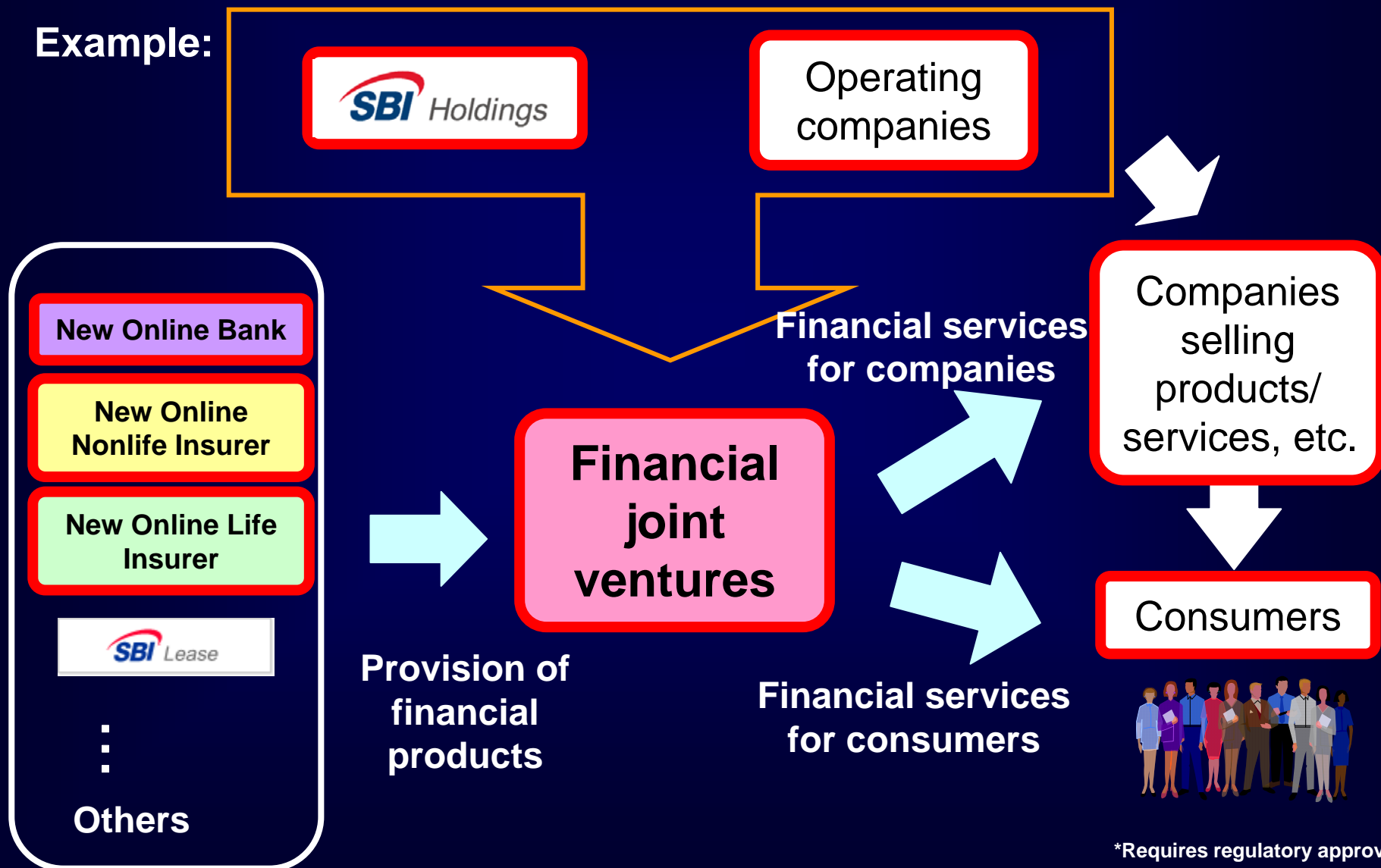
**Fully utilize
nationwide
office and
store networks**



*Requires regulatory approval.

Alliances with Companies Having Close Links to Activities of SBI Group New Businesses (tentative)

Example:



*Requires regulatory approval.

4. Fiscal 2007 Forecasts

Fiscal Year (“FY”) ends March 31 of the following year

Business Unit FY2006 Performance and FY2007 Forecast

(100million yen)

	Operating revenues	Operating income	FY07 operating income forecast
	With funds consolidated (previous accounting standard)	With funds consolidated (previous accounting standard)	
Asset Management Business	357 (434)	-34 (269)	?
Brokerage & Investment Banking Business	654	245	300-330
Financial Services Business (existing operations)	270	28	35-40
Financial Services Business (new businesses, including internet bank and insurers)	-	-	-15--10
Housing and Real Estate Business	164	22	70
Total	-	-	390-430+?

*The above figures are business segment performance after consolidation of funds.

*The above figures do not include eliminations for consolidation and the deduction of corporate expenses.

*SBI Mortgage was included in Financial Services through FY06/3Q and transferred to Housing and Real Estate in FY07/4Q.

Business Unit FY07/1Q Performance and FY2007 Forecast (Operating Income)

(100 million yen)

	FY07/1Q	FY07/1Q x 4	FY07 operating income forecast
Asset Management Business	45	180	?
Brokerage & Investment Banking Business	56	224	300-330
Financial Services Business (existing operations)	9	36	35-40
Financial Services Business (new businesses, including internet bank and insurers)	-5	-20	-15--10
Housing and Real Estate Business	22	88	70
Total	127	508	390-430+?

*The above figures are business segment performance after consolidation of funds.

*The above figures do not include eliminations for consolidation and the deduction of corporate expenses.

*SBI Mortgage was included in Financial Services through FY06/3Q and transferred to Housing and Real Estate in FY07/4Q.

SBI Holdings FY07 Consolidated Forecasts by Third Parties

<Forecasts for year ending March 2008>

(million yen)

Company	Date	Operating revenues	Operating income
Goldman Sachs	June 5	243,200	108,900
Kaisha Joho (Nikkei)	Summer	150,000	60,000
Lehman Brothers	April 27	198,000	57,600
Daiwa Research	May 9	157,000	49,200
JP Morgan	May 7	183,200	44,000
Shikiho (Toyo Keizai)	Summer	155,000	44,000



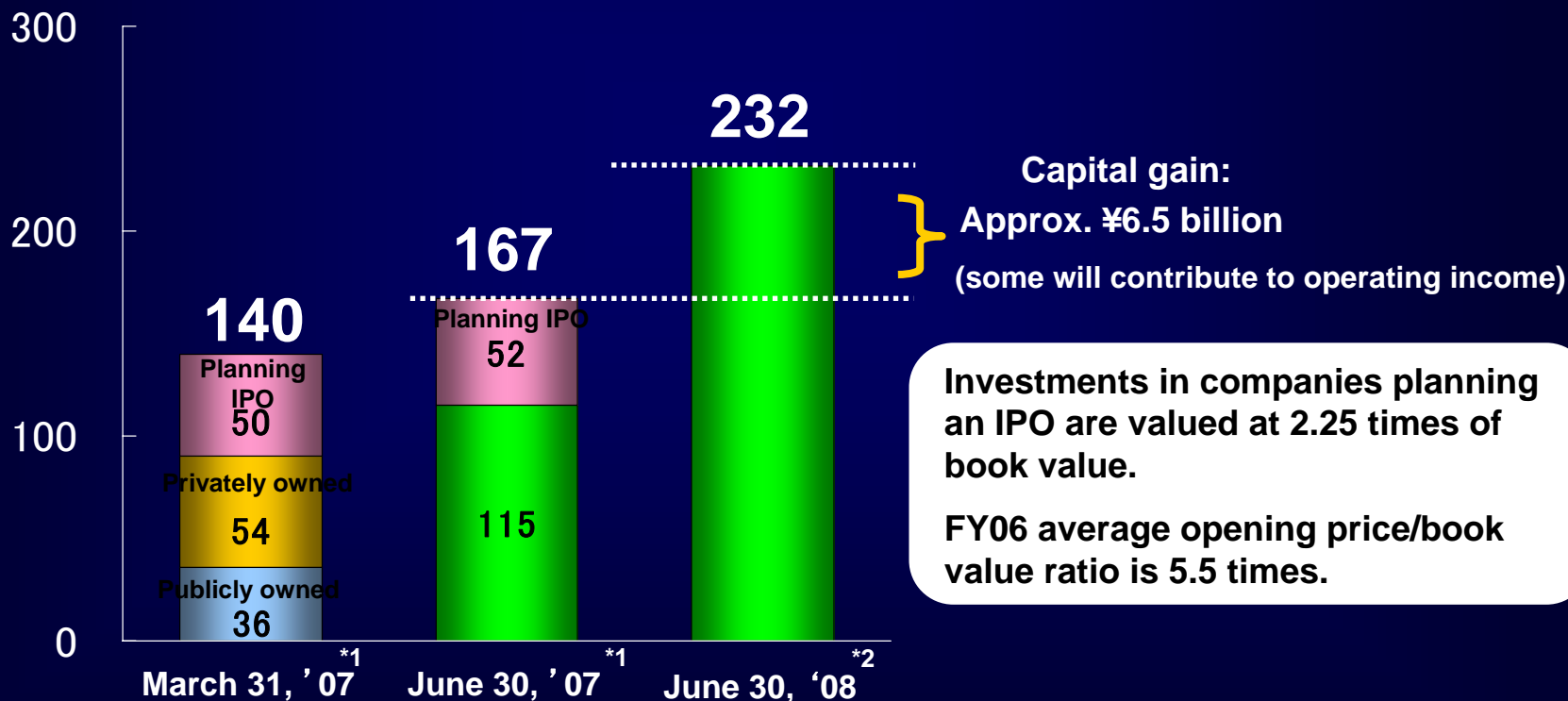
*Operating income

SBI Holdings	1Qx4	224,400	50,800
	Forecast	-	39,000~43,000+ α

Asset Management Business FY07 Earnings Based on Current Outlook (i)

(1) First quarter consolidated operating income includes ¥2 billion from Internet Technology Fund. Expect more income from this fund from sales of remaining investments prior to liquidation.

(100 million yen)



*1 Book values are used for March 30, 2007 and June 30, 2007 figures.

*2 Represents an estimate using current information. Assumes that stock in portfolio companies now planning an IPO will be sold during the fund liquidation period.

Asset Management Business FY07 Earnings Based on Current Outlook (ii)

(2) Kingsway SBF Investment Company Limited

Expect to receive special dividend equal to approx. ¥1 billion from sale of stock

(3) New Horizon Fund, L.P.

Expect to receive distributions totaling US\$36.6 million during FY07; will contribute approx. ¥4.4 billion to earnings at the current exchange rate

(4) Intermetic Inc.

Planning August 31, 2007 listing on OSE Hercules. Based on the expected issue price*, the capital gain on shares held by a subsidiary will be about ¥2.7 billion.

*According to documents filed on July 30, 2007

(5) IPO of Kyobo Life Insurance in Korea

Kyobo Life may conduct its IPO during the current fiscal year. SBIH may post a profit from the sale of part of its holding in this company. (These sales may occur prior to the listing, depending on the price.)

(6) Large number of IPOs foreseen at broadband, biotech and other funds

22 IPOs expected in FY07, with 17 planned for the final three quarters

Will generate capital gains as shares in these companies are sold

(7) Partial sale of equity interest in E*TRADE Korea

- SBI must lower its holding to less than two-thirds of all shares outstanding due to a directive from the Korea Stock Exchange. A reduction to an equity stake of 66% would produce extraordinary gain of ¥2.4 billion and a reduction to 51% would produce extraordinary gain of ¥3.9 billion.
-
-

5. The Fourth Pillar of Social Contributions at the SBI Group

The Four Pillars of Social Contributions at the SBI Group

Indirect social contributions through business activities

Direct social contributions

SBI Group companies

 SBI University

SBI University

Nurturing Talent

April 20, 2007

Applied to Ministry of Education, Culture, Sports, Science and Technology for permission to establish SBI Post Graduate School



 SBI Wellness Bank

SBI Wellness Bank

Healthcare services for members

 SBI Children's Hope Foundation

SBI Children's Hope Foundation

Support for the care of abused children

SBI Wellness Bank :Alliance with one of the World's Preeminent Anti-aging Medical Institution in Switzerland (1)

Profile of SBI Wellness Bank

Established: April 19, 2007

Ownership: SBI Holdings 100%

Management: Yoshitaka Kitao, CEO
Masahiko Fukuzawa, COO

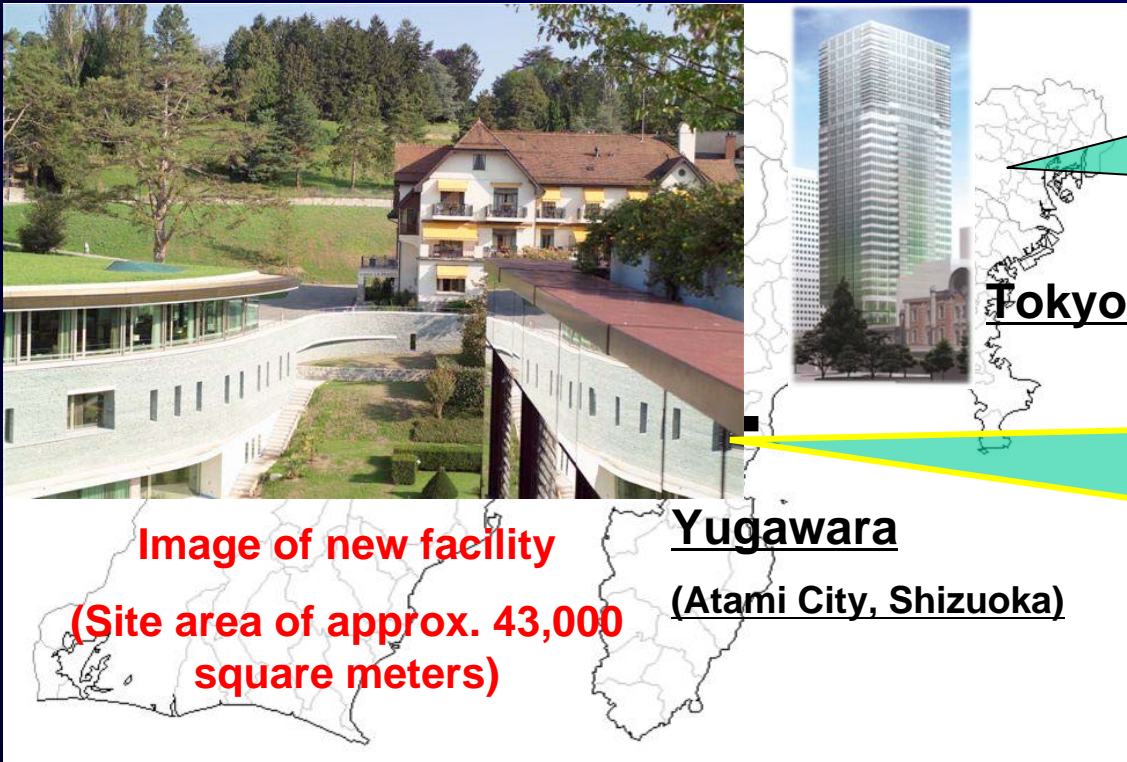
Activities: Health services for members, etc.

Clinique La Prairie

Location: Montreux, Switzerland

Established: 1931

Activities: One of the world's leading anti-aging facilities, combining healthcare and a spa. Provides many types of healthcare and specialized treatments.



Sapia Tower Clinic

Now discussing an alliance with a Tokyo clinic. Plan to use a Tokyo healthcare facility to begin offering members services starting in April 2008.

Clinic La Prairie Yugawara (tentative name)

Will offer the world's most advanced preventive treatments, healthcare and anti-aging services. Scheduled to open in October 2009.

*Requires regulatory approval.

SBI Wellness Bank :Alliance with one of the World's Preeminent Anti-aging Medical Institution in Switzerland (2)

Starting in April 2008 Healthcare services for affluent individuals

(summary of headlines in article on the right)

SBI Holdings will use an alliance with a healthcare institution to start offering members-only treatments and health checkups for affluent individuals using advanced medical equipment. The treatments will not be covered by health insurance. SBI Holdings recently established a wholly owned subsidiary and plans to construct its own healthcare facility.

This business will use know-how provided by [Clinique La Prairie](#), a Swiss healthcare facility that serves affluent individuals. Services will include beauty treatments and many other items.



article

(Nihon Keizai Shimbun, July 31, 2007)

<http://www.sbigroup.co.jp>