



*Strategic
Business
Innovator*

SBI Holdings, Inc.
FY2008 Financial Results
(Year Ended March 31, 2009)

April 27, 2009

The items in this document are provided as information related to the business strategy of SBIH 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.

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

1. Consolidated Financial Performance

FY2008 Consolidated Performance

(Unit: million yen)

	FY2007 Year ended Mar. 2008	FY2008 Year ended Mar. 2009	YoY change (%)
Operating Revenues	222,567	130,922	-41.2
Operating Income	42,606	4,403	-89.7
Ordinary Income	35,687	37	-99.9
Income Before Income Taxes	28,819	-16,132	—
Net Income	4,228	-18,375	—

Total 14.7 bil. yen of Valuation Loss in FY2008

Valuation losses in operating expenses and extraordinary losses: **10,249 mil. yen**

Valuation losses on portfolio securities •• **Recorded as operating expenses** (Unit: million yen)

VSN	1,505	SBI Capital holds 24.89% of VSN stock through its SBI Value Up Fund No. 1
Others	1,197	359 mil yen for Fleg International (declared bankruptcy), etc.
Total	2,702	

Valuation losses on investment securities ••• **Recorded as extraordinary losses**

Sumitomo Trust & Banking	6,773	SBIH Group has cross-shareholdings with Sumitomo Trust & Banking, which operates SBI Sumishin Net Bank with the SBIH Group
Others	773	358 mil yen (for stock purchased to acquire intellectual property) for ODC Therapy, an alliance partner of SBI Biotech, etc.
Total	7,547	

Valuation loss for property for sales and allowance for doubtful assets for CEM Corporation (operating expenses): **702 mil. yen**

Equity investment loss for Broadmedia (extraordinary losses): **1,353 mil. yen**

Loss on real estate collateral for 11.2 billion yen loan to ZEPHYR (allowance for doubtful accounts, extraordinary losses): **2,464 mil. yen**

SBI Holdings Quarterly Results (Consolidated)

	FY2008 (Unit: million yen)	
	1Q-3Q (Apr.-Dec. 2008)	FY2008 Full Year (Apr. 2008 - Mar. 2009)
Operating Revenues	101,172	130,922
Operating Income	*1 5,147	4,403
Ordinary Income	1,730	*4 37
Income Before income Taxes	*2,3 -10,084	*5 -16,132
Net Income	-11,847	-18,375

*1 Recorded valuation loss on portfolio securities of 1.5 bil. yen for VSN, of which SBI Capital holds 24.89% shares through its SBI Value Up Fund No. 1 (stock price when acquired: 1,885 yen, as of end. Dec. '09: 916 yen)

*2 Recorded an extraordinary gain of 9.9 billion yen from the sale of E*TRADE Korea stock

*3 Recorded an extraordinary loss of 9.4 billion yen on sale of ZEPHYR stock after ZEPHYR filed for the Japanese version of Chapter 11 bankruptcy filing (stock price as of end of Mar. '08: 49,300 yen, sale price: 1,000 yen), allowance for doubtful accounts of 1.5 bil. yen for loan to ZEPHYR, and valuation losses on investment securities of 5.5 bil. yen for Sumitomo Trust & Banking shares (average acquired cost: 1,158 yen, stock price as of end Dec. '08: 516 yen)

*4 Recorded Losses such as loss from investment-equity method of 2.5 bil. yen (1.8 bil. yen of SBI Sumishin Net Bank [3.17 bil. yen in FY07], 0.5 bil. yen of SBI Japannext Securities, etc.), net financial charges of 1.0 bil. yen (difference between interest/dividend received and interest expense), and exchange rate loss of 0.6 bil. yen realized at SBI KOREA HOLDINGS as nonoperating profit and loss.

*5 Recorded an additional valuation loss on investment securities of 1.2 bil. yen for Sumitomo Trust & Banking shares (stock price as of end Dec. '08: 516 yen, as of end of Mar. '09: 373 yen) and loss from investment through equity method of 1.3 bil. yen for Broadmedia (extraordinary losses)

Securities Valuation and Other Losses

Totaled 4.1 bil. yen in 4Q



◆ Recorded as operating expenses

Recorded for CEM Corporation (a consolidated subsidiary owned by SBI Value Up Fund No. 1 managed by SBI Capital, in addition to SBIH)

- Valuation loss for property for sales : 245 mil. yen
- Allowance for doubtful assets : 457 mil. yen

◆ Recorded as extraordinary losses

➤ Valuation loss on investment securities

Sumitomo Trust & Banking: 1,234 mil. yen

Recorded valuation loss of 5,539 million yen in 3Q based on Sumitomo Trust & Banking's stock price at end of December 2008.

Recorded additional loss: stock price of the company lower at end of March 2009 than at end of December 2008.

Stock Price of Sumitomo Trust & Banking:

1,158 yen (when acquired)⇒516 yen (as of the end Dec. 2008)⇒373 yen (as of the end Mar. 2009)

➤ Loss from investment through equity method

Broadmedia: 1,353 mil. yen

Became a investment-equity method subsidiary in March 2009

Due to the decline in the company's stock price, an equivalent amount of goodwill, recorded upon acquisition of the shares, was amortized

Stock Price of Broadmedia: 127 yen (when acquired)⇒57 yen (as of the end Mar. 2009)

➤ Allowance for doubtful accounts

Valuation loss on real estate collateral for 11.2 billion yen loan to ZEPHYR: 885 million yen
(Already recorded a valuation loss of 1,579 mil. yen in 3Q)

Highlights of Consolidated Financial Performance



① In FY08, 14.7 bil. yen (4.1 bil. yen in 4Q) of valuation losses were recorded due to the downturn in the stock market

- Securities valuation losses in 4Q includes 0.7 bil. yen for property for sales and allowance for doubtful asset of CEM Corporation (a consolidated subsidiary owned by SBI Value Up Fund No. 1 managed by SBI Capital, in addition to SBIH), valuation losses of 1.2 bil. yen on investment securities (additional valuation loss of 1.2 bil. yen for Sumitomo Trust & Banking shares, etc.) , equity investment loss of 1.3 bil. yen for Broadmedia, and extraordinary loss of approx. 0.9 bil. yen on real estate collateral for loan to ZEPHYR (allowance for doubtful accounts)
- securities valuation losses in FY08 cumulative includes 2.7 billion yen in operating expenses (1.5 billion yen for VSN, etc.) and 7.5 billion yen in extraordinary losses (6.7 billion yen for Sumitomo Trust & Banking, etc.)
Also recorded extraordinary loss of 1.3 bil. yen for equity investment loss for Broadmedia, and a 2.4 billion yen for valuation loss on real estate used as collateral (allowance for doubtful accounts) for loan to ZEPHYR

② All major business units* recorded positive operating income in FY2008, in spite of challenging market conditions

- Number of IPOs in Japan: Down from 99 during FY07 to 34 during FY08
- Nikkei Average: Down 35.3% from 12,525.54 yen at the end of Mar. '08, and down 8.5% from 8,859.56 yen at the end of Dec. '08 to 8,109.53 yen at the end of Mar. '09
- Retail brokerage trading value: Down 31.4% from FY07 to FY08

Highlights of Consolidated Financial Performance

③ Some new businesses have already recorded profits

- SBI Liquidity Market, which started its operation on Nov. 17, 2008 recorded 846 mil. yen of operating income and a contribution of 1,832 mil. yen to SBI SECURITIES' operating income.
- SBI Sumishin Net Bank recorded a single month profit in Jan. and Feb., and even expects to record a profit in Mar., which pretends the possibility of a single quarter profit for the very first time.

④ Earnings are showing signs of a recovery in the 4Q, as the market reached a trough in the 3Q(Oct.-Dec.)

- Operating income of Asset Management and Brokerage and Investment Banking Business has improved.
- Also, operating income of Financial Services Business have improved due to the reduction of losses in new businesses.

⑤ The SBIH Group maintains a sound financial position

- Financial indicators in Mar. '09 has improved compared to Sept. '08.
- Cash and cash equivalents (cons.) remains high 127.1 bil. yen

【Consolidated financial indicators of SBI Holdings in Mar. '09】

Current Ratio: 136.6% (204.0%), Interest-bearing Debt Ratio: 37.1% (37.1%),

Equity Ratio: 32.8% (52.4%)

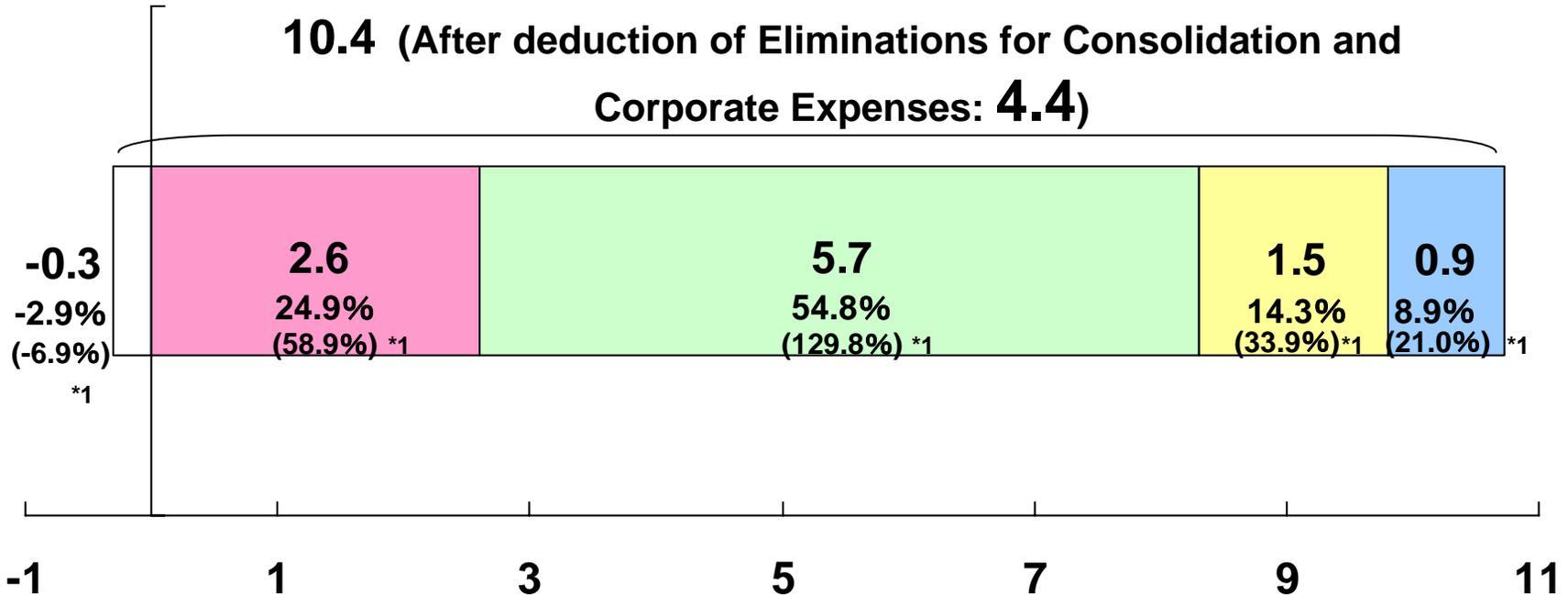
(Parenthetic figures indicates effective figures after adjusting for asset and liability accounts solely for the securities company)

Comparison of Operating Income by Segment

**FY2008
Operating Income**

- Asset Management
- Brokerage and Investment Banking
- Financial Services
- Housing and Real Estate
- System Solutions

(Unit: billion yen)



Eliminations for Consolidation and Corporate Expenses: -6.0 billion yen (-136.6%) *1
[Breakout] Eliminations for Consolidation 1.3 billion yen
Corporate Expenses 4.7 billion yen
(1.44 bil. yen of personnel cost, 0.47 bil. yen of rent account, commission paid, and others)

*1 Parenthetic figures indicate component ratio to operating income after deduction of eliminations for consolidation and corporate expenses

*2 Amounts are rounded to the nearest 100 million yen.

Quarterly Operating Income by Segments



~Troughed in 3Q and improved in 4Q~

(Unit: million yen)

	FY2008				
	1Q (Apr.-Jun. 2008)	2Q (Jul.-Sept. 2008)	3Q (Oct.-Dec. 2008)	4Q (Jan.2009-Mar. 2009)	FY08 (Apr.2008- Mar.2009)
Asset Management	331	2,193	^{*1} -517	 586	2,594
Brokerage & Investment Banking	3,389	^{*2} 1,265	^{*2} 233	 ^{*2} 826	5,714
Financial Services	372	382	358	 377	1,491
Housing and Real Estate	850	498	103	 ^{*3} -529	923
System Solution	-104	-137	98	 -160	-303

*1 Recorded valuation losses of 2.3 bil yen on portfolio securities (1.4 bil yen for VSN, etc.)

*2 Includes amortization of goodwill corresponding to making SBI SECURITIES a wholly owned subsidiary (2Q: 698 mil. yen 3Q:1,048mil. yen 4Q:1,048mil.)

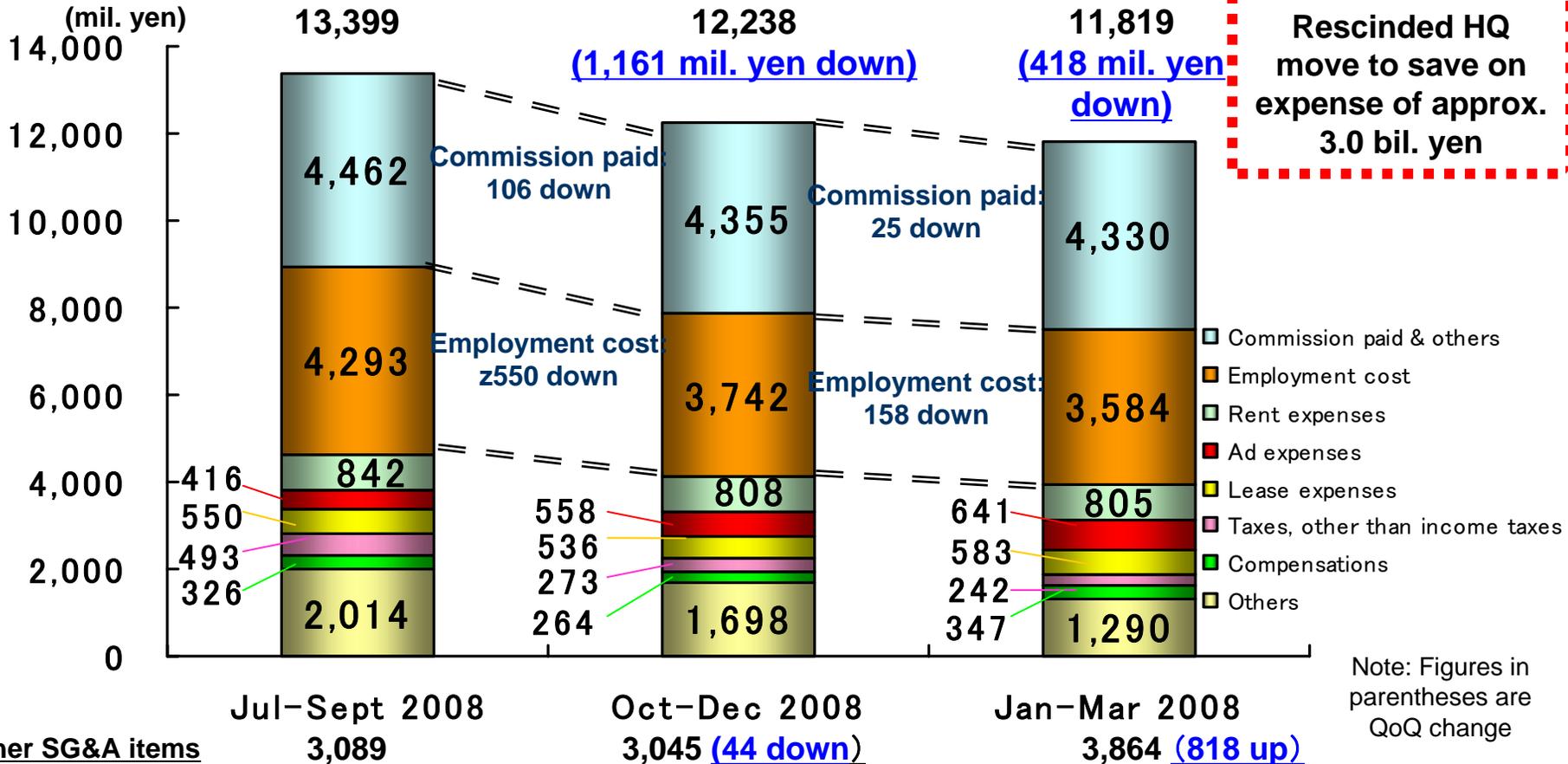
*3 CEM Corporation, a consolidated subsidiary, recorded a 245 mil. yen of write-down of property and 457 mil. yen of allowance for doubtful accounts

SG&A on a Quarterly Basis (Consolidated)



From October 2008, each Group company assigned an officer to be responsible for cutting costs, in order to strengthen the cost cutting movement. Although amortization of goodwill increased from 3Q to 4Q, cost related to cash outflows continued to decrease

SG&A (excluding amortization and transfer to allowance for bad debts)



Rescinded HQ move to save on expense of approx. 3.0 bil. yen

Note: Figures in parentheses are QoQ change

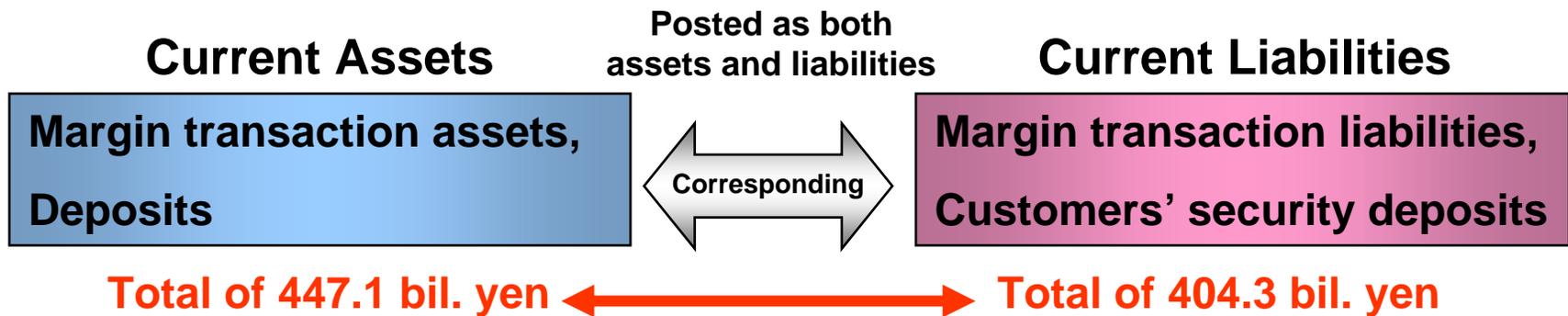
Main factors for the increase in 4Q were a **rebound from recording 160 million yen as amortization of negative goodwill** in 3Q and the recording of **457 million yen by CEM Corporation as allowance for bad debts** in 4Q

Amortization of goodwill
Amortization of fixed assets
Transfer to allowance for bad debts

SG&A TOTAL 2Q Total: 16,489 mil. yen 3Q Total: 15,283 mil. yen 4Q Total: 15,684 mil. yen

Characteristics of SBIH's Consolidated Balance Sheet (1)

The consolidated balance sheet is larger than normal in relation to the group's scale of operations because it includes deposits and other assets in customer accounts at subsidiary SBI SECURITIES.



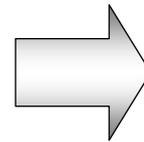
The difference is mainly margin transaction loans using SBI SECURITIES' own funds; normally, these margin transactions can be financed by margin loans of securities finance companies, etc.

Current assets (cash) increases even more if loans from securities finance companies are used for the margin transaction loans for all customers.

Characteristics of SBIH's Consolidated Balance Sheet (2)

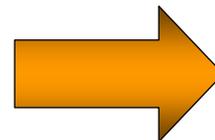
(Unit: billion yen)

- Eliminated all asset and liability items associated solely with the securities company
- Assumed that securities finance companies are used for all customer margin transaction loans, and then added the difference between these assets and liabilities to current assets



Same result as deducting an amount equal to all liability accounts from current assets and current liabilities

Assets 1,079.2	Liabilities, etc. 659.8
	Net Assets 419.3



Assets 674.8	Liabilities, etc. 255.5
	Net Assets 419.3

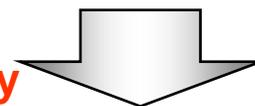
Analysis of SBIH's Financial Statements

Consolidated financial indicators of SBI Holdings

(%)

	Mar. 2008	Sept. 2008	Mar. 2009
Current Ratio	144.4	135.9	136.6
Interest-bearing Debt Ratio	101.0	70.1	37.1
Equity Ratio	19.8	30.0	32.8

Effective figures after adjusting for asset and liability accounts solely for the securities company



All important financial indicators has improved compared to Sept. '08

	Mar. 2008	Sept. 2008	Mar. 2009
Current Ratio	201.3	173.3	204.0
Interest-bearing Debt Ratio	101.0	70.1	37.1
Equity Ratio	30.0	43.3	52.4

2. Summary of Major Business Segments

(1) Asset Management Business

Fiscal 2008 (Year ended March 31, 2009)

Operating Revenues: 16.0 billion yen (-72% YoY)

Operating Income: 2.6 billion yen (-84% YoY)

Major consolidated subsidiaries and affiliated companies

- **SBI Investment**
- **SBI CAPITAL**
- **SBI Capital Solutions**
- **SBI Asset Management**

Notes:

1. The above figures were calculated using the new accounting standard (with fund consolidation) for each segment.
2. The above figures do not include eliminations for consolidation and the deduction of corporate expenses.
3. Rounded to the nearest 100 million yen.

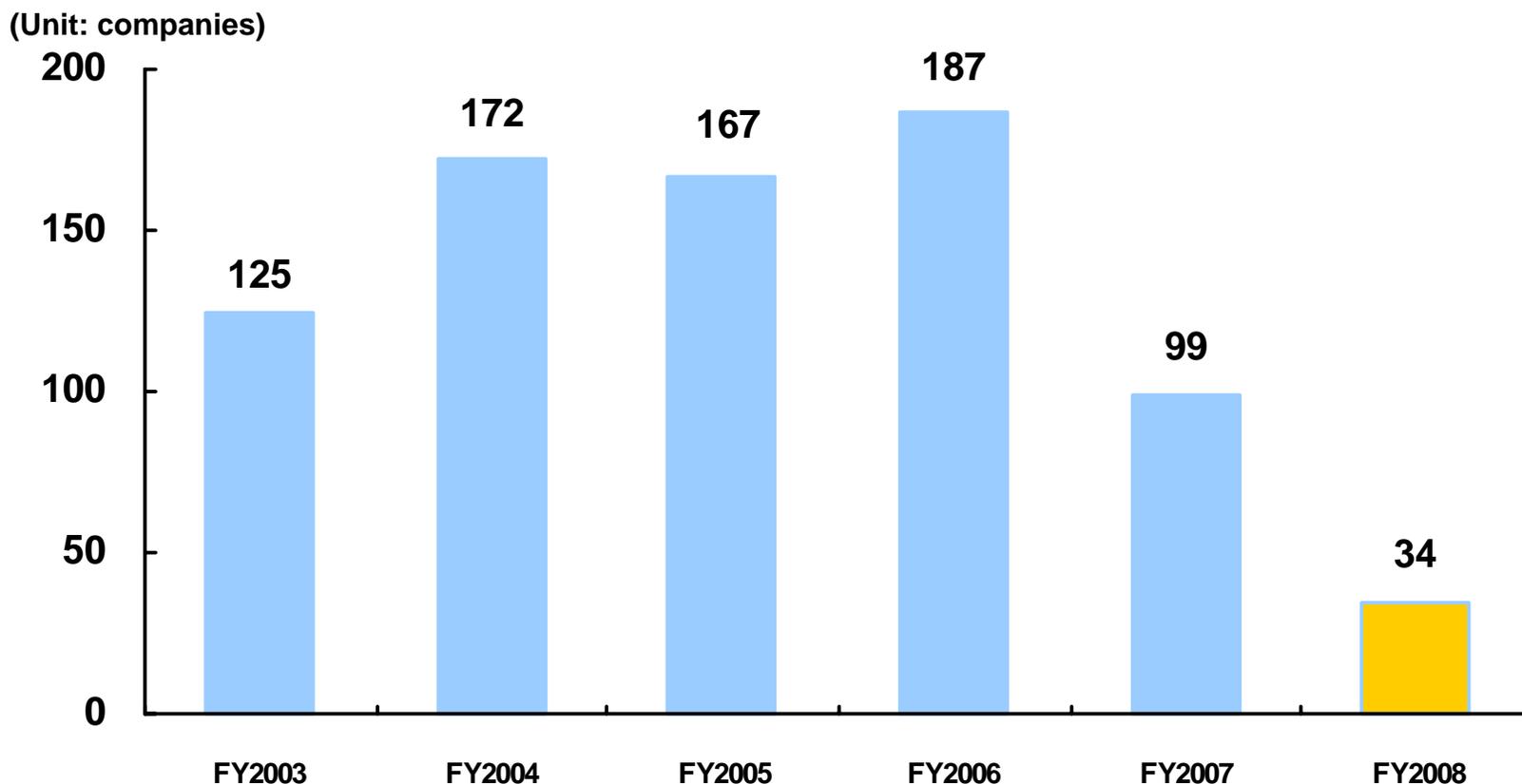
Highlights of Asset Management Business



- I. With declining stock prices and a steep drop in the number of IPOs, as well as an operating deficit and net loss at JAFCO, our competitor, amounting to 9.4 billion yen and 17.0 billion yen respectively, the business environment was extremely difficult. However, an operating income contribution of 4.6 billion yen from the New Horizon Fund, which is now realizing gains on past investments, and other factors **have contributed to the continued profitability of the Asset Management Business.**
- II. Due to the decline in the market value, valuation losses on portfolio securities were recorded for VSN stock, which SBI Capital holds through its SBI Value Up Fund No. 1, etc. following the accounting rule. However, after excluding these valuation losses for operating income for FY08, the cumulative was about 5.3 bil. yen.
- III. New investments continued at a consistent pace, **totaling 95.1 bil. yen in FY08** (23.0 bil. yen in the fourth quarter, in addition to 72.1 billion yen in the first three quarters). The SBIH Group continues to invest in more deals as compared to its competitors.
- IV. The New Horizon Fund still possess substantive unrealized gains even in a period of low Chinese stock prices. Based on the judgment that the worst is over, selling continues and we expect it to keep contributing to earnings.

Number of IPOs in Japan on a FY Basis

During FY2008, only 34 companies completed IPOs, which was much fewer than in FY2007.



Performance Comparison with the Major VC Companies

FY08 performance comparison of SBIH Asset Management business and major venture capital companies

(Unit: billion yen, %)

	Operating Revenues	YoY Change	Operating Income	YoY Change
SBIH Group's Asset Management Business	16.0	▲72.5	2.6	▲84.3
JAFCO (*without consolidating funds)	21.4	▲46.8	▲9.4	- *2
JAIC	11.9	▲40.0	▲10.9	- *3
Daiwa SMBC Capital	9.5	▲55.9	▲31.4	- *4

(Source: Compiled by SBIH from information disclosed by each company)

*1 JAFCO adopts method of excluding the consolidation of funds, whereas the performances of other 3 companies include the consolidation of funds

*2 Operating Income of FY07 posted 10.9 billion yen

*3 Operating Income of FY07 posted -13.7 billion yen

*4 Operating Income of FY07 posted -5.2 billion yen

*5 Amounts are rounded to nearest 100 million yen

New Investments During FY2008

Unit: million yen
(Number of Invested companies)

	New Investment Amount		
	4Q FY08 (Jan. – Mar.)	FY2008 (full year)	(Reference) FY2007 (full year)
[Funds' Investment]	22,706 (36 Companies)	82,013 (105 Companies)	96,596 (175 Companies)
Breakdown: Stocks	9,299 (20 Companies)	26,277 (57 Companies)	40,444 (104 Companies)
Others (incl. bonds)	13,406 (16 Companies)	55,736 (48 Companies)	56,151 (71 Companies)
[Direct Investment]	363 (1 Companies)	13,165 (13 Companies)	4,444 (33 Companies)
Breakdown: Stocks	- (- Companies)	11,224 (11 Companies)	4,444 (33 Companies)
Others (incl. bonds)	363 (1 Companies)	1,940 (2 Companies)	-
[TOTAL]	23,069 (37 Companies)	95,179 (118 Companies)	101,041 (208 Companies)
[Comparison: JAFCO]	4,409 (24 Companies)	32,546 (106 Companies)	39,094 (168 Companies)

Assets under Management of the SBIH Group

AUM of the SBIH Group amounted to 493.5 billion yen as of the end of Mar. 2009 (incl. "Real estate and others")

Private equity total: 241.2 bil. yen

[IT/Biotechnology] Total: 120.5

Internet 6.7

Broadband/Media 57.3

Mobile services 27.7

Biotech/Others 28.7

[Direct investment] 25.1

[Environment/Energy] 6.8

[Buyout/Mezzanine] Total: 35.2

Value Up 19.2

Mezzanine 16.0

[Overseas] Total: 53.6

China/ Hong Kong/ Others* 35.9

Vietnam* 8.2

India* 9.6

[Investment trusts,others]

Total: 194.7 bil. yen

Investment trusts 31.0

Investment advisory 161.5

Investment companies 2.2

[Real estate, others]

Total: 57.6 bil. yen

Development 22.4

Completed properties 35.2

Note: Figures for real estate reflect the total amount of investments. Figures for investment trusts, investment advisory and others reflect net assets at market value as of the end of Mar. 2009. Figures for other funds are net assets at market value based on the latest financial reports of each fund as of the end of Mar. 2009. All figures are rounded to the nearest 100 million yen.

*Based on the investment commitment amount since the fiscal year is not yet closed

Performance of New Horizon Fund

Six of the 10 companies in the New Horizon Fund portfolio are now publicly traded companies since its launch in May 2005. **4.6 billion yen** of operating income was recorded through the sales of a portion of its portfolio in FY08 (accumulated total of **7.7 billion yen** from the beginning through Mar. '09). Due to the change of fiscal term to a quarterly settlement, the sale of stocks during each quarter directly impacted its revenues and profits since FY08/4Q.

Portfolio companies	Invest-ment	Category	IPO / M&A (planned)	Capital Gain			(Unit: US\$ million)
				End Mar.08	End Mar. 09	As of Apr. 24	
Sichuan Meifeng Chemical Industry	12.9	A-Class share		63.7	26.4	28.0	IPO'd (market value)
Changsha Zoomlion Heavy Industry Science & Technology Development	5.9	A-Class share		144.6	66.6	63.6	
China Printing & Dyeing Holding	-	IPO		0.2	-	※1 -	
Yingli Green Energy Holding	-	IPO		4.5	-	-	
Kingsoft	9.4	IPO		2.3	4.4	6.4	
Goldwind Science and Technology	1.2	IPO		124.9	29.9	32.1	
China Stem Cells Holdings	4.1	Pre-IPO	2009	17.6	17.6	17.6	Pre-IPO/M&A (estimated value)
Jiangsu Ealong Biotech	2.5	Pre-M&A	2010	5.6	5.6	5.6	
Shineway Group	20.4	Pre-IPO	2010	15.0	15.0	15.0	
Cathay Industrial Biotech	12.0	Pre-IPO	2011	79.1	79.1	79.1	
Total	68.4			457.5	244.6	247.4	

bil. yen (approx.): (45.8) (24.0) (24.2)

【Received Dividend】^{*2} (Unit: billion yen) → 【Estimated Dividend after 4Q FY2008】 (as of Apr. 24, 2009)

Foundation – FY2007	FY2008/1-3Q	FY2008/4Q	FY2009	FY2010	FY2011	Total Estimated Dividend after FY08/4Q
0.9	3.8	2.3	6.9	2.9	3.3	13.1

Note 1: Receipt of dividends depends on the timing of sales, but is expected to fully start in 2009 when lock-up period expires

Note 2: The estimated dividend are not confirmed as they are based on estimated stock values of pre-IPO or M&A companies

*1 in the course of liquidation

*2 Sales amount after deduction of expenses associated with sales. Estimated dividend has been reduced due to the occurrence of success fee payment for the general partner.

(2) Brokerage & Investment Banking Business

Fiscal 2008 (Year ended March 31, 2009)

Operating Revenues: 49.2 billion yen (-28% YoY)

Operating Income: 5.7 billion yen (-72% YoY)

Major consolidated subsidiaries
and affiliated companies

- **SBI SECURITIES**
- **SBI Futures**
- **SBI Japannext**
(equity method affiliate)
- **SBI Liquidity Market**

Loss of 2.8 billion yen for amortization of goodwill
corresponding to SBI SECURITIES becoming a
wholly owned subsidiary.

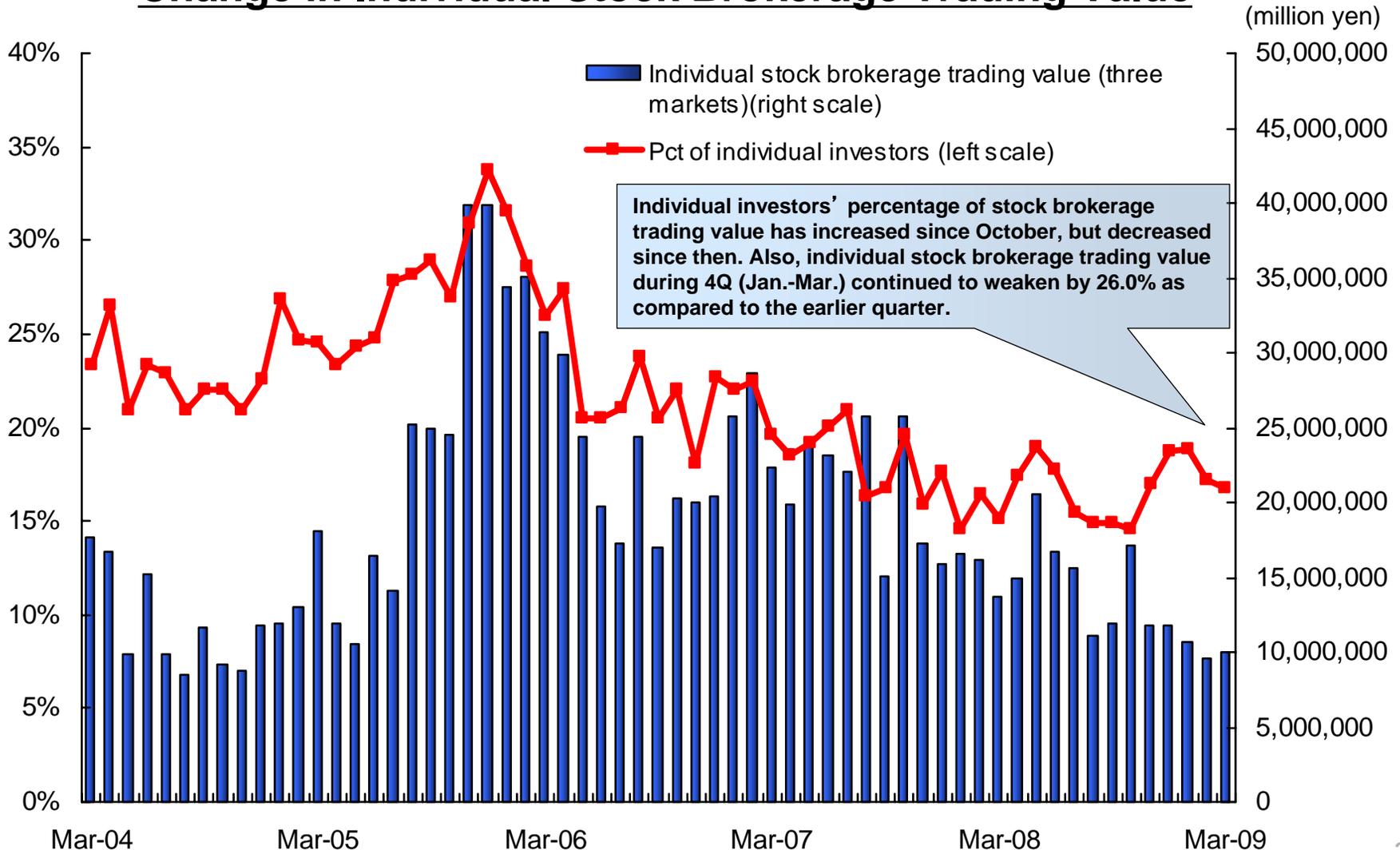
Operating Income without the amortization:
8.5 billion yen (down 59% YoY)

Notes:

1. The above figures were calculated using the new accounting standard (with fund consolidation) for each segment.
2. The above figures do not include eliminations for consolidation and the deduction of corporate expenses.
3. Rounded to the nearest 100 million yen.

Continuously Slumping Individual Stock Brokerage Trading Value

Change in Individual Stock Brokerage Trading Value



I. SBI SECURITIES' share continues to grow, supported by a dominant customer base

The downturn in the securities market, as evidenced by the 31% decrease in retail trading value in Japan has adversely affected Nomura's retail business, as the company recorded loss before taxes of 5.5 bil. yen in FY08, resulting in lower commission fees for SBI SECURITIES. Operating Revenues decreased by 26% YoY to 47.5 billion yen, and Operating Income decreased by 58% to 9.7 billion yen.

- Total number of customer accounts as of the end of Mar. 2009 : 1.86 million accounts
- Retail trading value share was at 38.7% which was a YoY increase of 2.8%, and retail margin trading value share was at 44.7%, which was a YoY increase of 4.2% for FY08; **both were record highs.**
- Daily average trading value increased 25.9% in April* from a month earlier, after troughing in March
(*as of April 23)

II. SBI Liquidity Market produced substantial earnings contributions as compared to the initial estimate at the start of operation in Nov. 17, 2008

It expanded its trading value sharply from the start of operation. Operating Revenues was 2.90 billion yen and Operating Income was 0.84 billion yen in FY08.

- Foreign exchange margin trading value achieved a substantial increase upon the provision of "SBI FX α " using SBI Liquidity Market (started in Nov. 17, 2008). Monthly trading value expanded to 5,227.6 billion yen, approx. 12 times that of Jun. '08 to Mar. '09.
- SBI Liquidity Market's contributions to Operating Income of SBI SECURITIES totaled 1.83 billion yen in FY2008

III. SBI Japannext, a PTS operating company, started daytime trading

Trading volume in Japannext PTS expanded steadily, its monthly trading value reached 66.6 billion yen in March 2009, setting a record high, and has already reached 91.9 billion yen by April 24.

SBI SECURITIES FY2008 Results (Consolidated)



(million yen, %) Holdings

	FY2007 (Apr. 2007 to Mar. 2008)	FY2008 (Apr. 2008 to Mar. 2009)	YoY Change
Operating Revenues	64,499	47,543	-26.3
Net Operating Revenues	58,017	42,190	-27.3
Operating Income	22,842	9,651	-57.7
Ordinary Income	22,405	9,390	-58.1
Net Income	11,923	10,148	-14.9

Reference: FY2008 Consolidated Performance of the major online Securities companies

	Operating Revenues	Operating Income	Net Income
Matsui	26,274	9,943	6,921
Monex	24,812	5,269	- 2,144
Rakuten	23,289	3,997	- 3,681
kabu.com (non-cons.)	16,743	6,024	3,643

(Unit: mil. yen)

SBI SECURITIES Quarterly Results (Consolidated)



Operating Income recovered in April after troughing in March

(million yen, %)

	FY2007	FY2008					YoY Change
	4Q (Jan.-Mar. 2008)	1Q (Apr.-Jun. 2008)	2Q (Jul.-Sept. 2008)	3Q (Oct.-Dec. 2008)	4Q (Jan.-Mar. 2009)		
Operating Revenues	14,715	13,921	12,736	10,568	10,316	-2.4	
Net Operating Revenues	13,092	12,579	11,120	9,456	9,034	-4.5	
Operating Income	4,217	3,879	2,527	1,610	1,633	1.4	
Ordinary Income	3,945	4,021	2,423	1,563	*4 1,382	-11.6	
Net Income	*1 385	2,808	*2 6,094	*3 435	810	86.1	

*1 Deferred tax liabilities of about 1.49 billion yen was recorded due to the basic agreement to sell stock of E*TRADE Korea

*2 Extraordinary gain of about 10.0 billion yen was recorded due to the sale of E*TRADE Korea stock

*3 Extraordinary losses of about 0.37 billion yen was recorded due to expenses for change in its corporate name, and of about 0.46 billion yen due to expenses for system integration

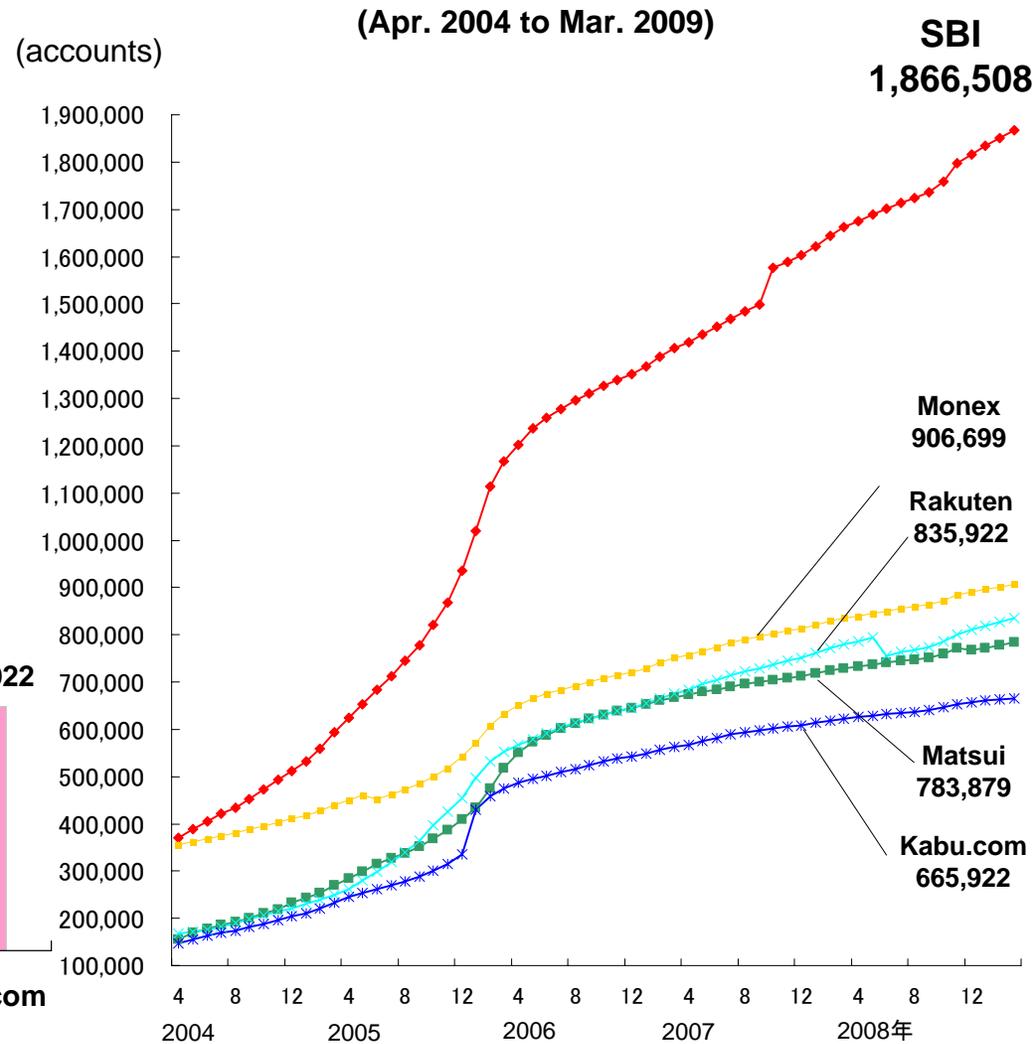
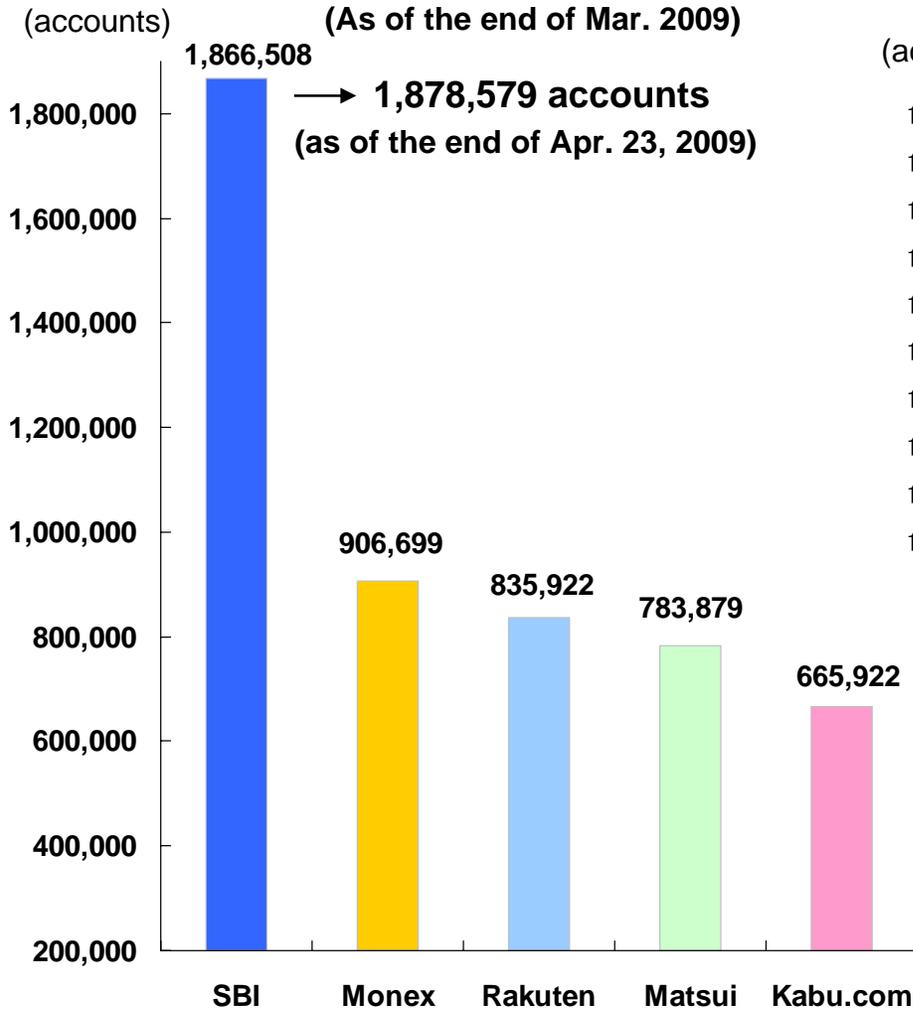
*4 Nonoperating profit of 0.12 billion yen was recorded for fund investment profit, while nonoperating loss of 0.27 billion yen was recorded for fund investment loss

Customer Account Comparison of Five Major Online Securities Companies



Customer Accounts of 5 Major Online Securities Companies

Customer Account Trend of 5 Major Online Securities Companies

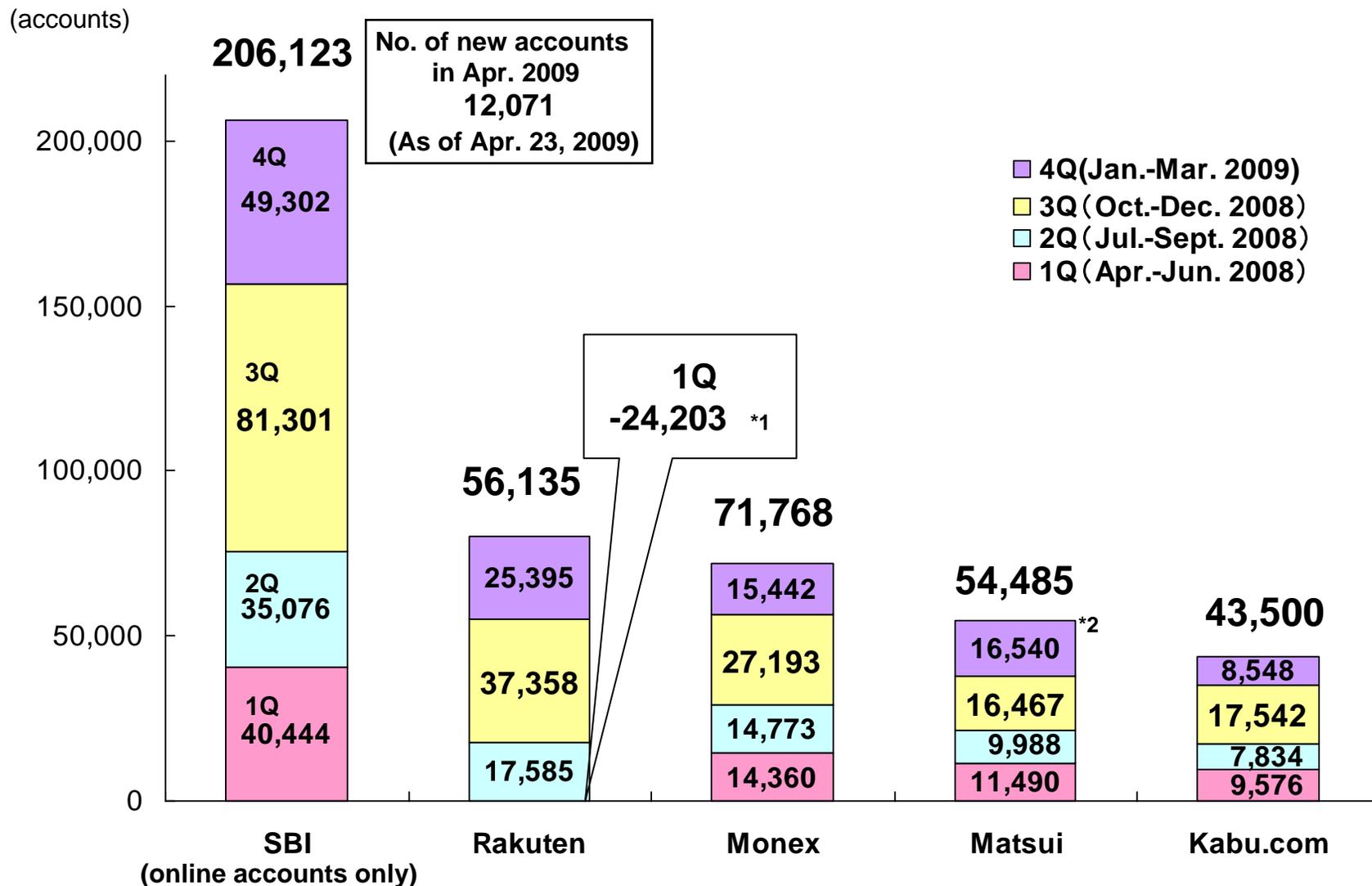


Note: 1. Monex includes the total of Monex Securities and Nikko Beans.
 2. Kabu.com Securities merged with MeNet Securities on January 1, 2006.
 3. SBI SECURITIES merged with SBI Securities on October 1, 2007.

5. Matsui Securities closed certain non-active customer accounts in December 2008

New Accounts at Major Online Securities Companies

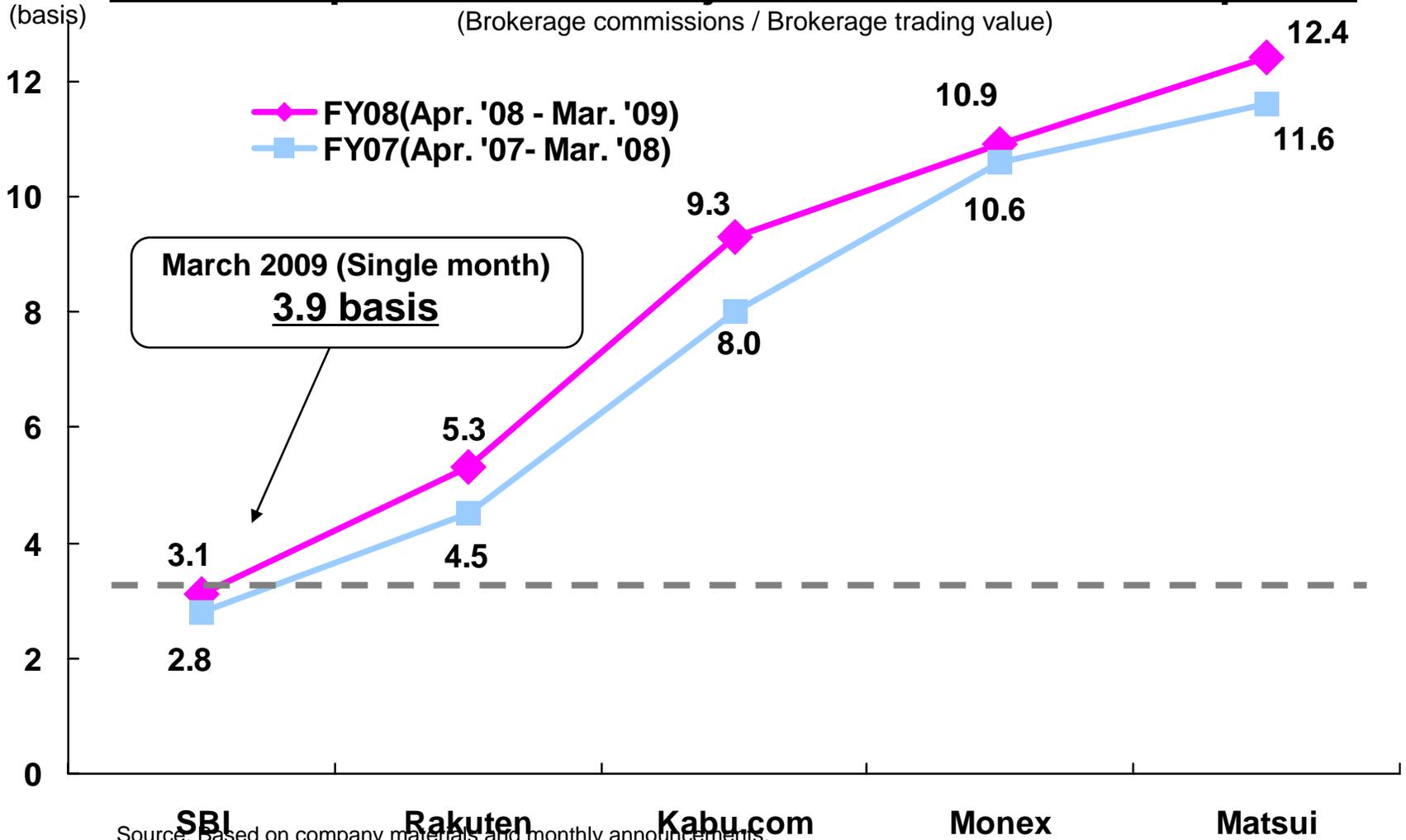
New accounts from April 2008 to March 2009



Basis Comparison of Major Online Securities Companies



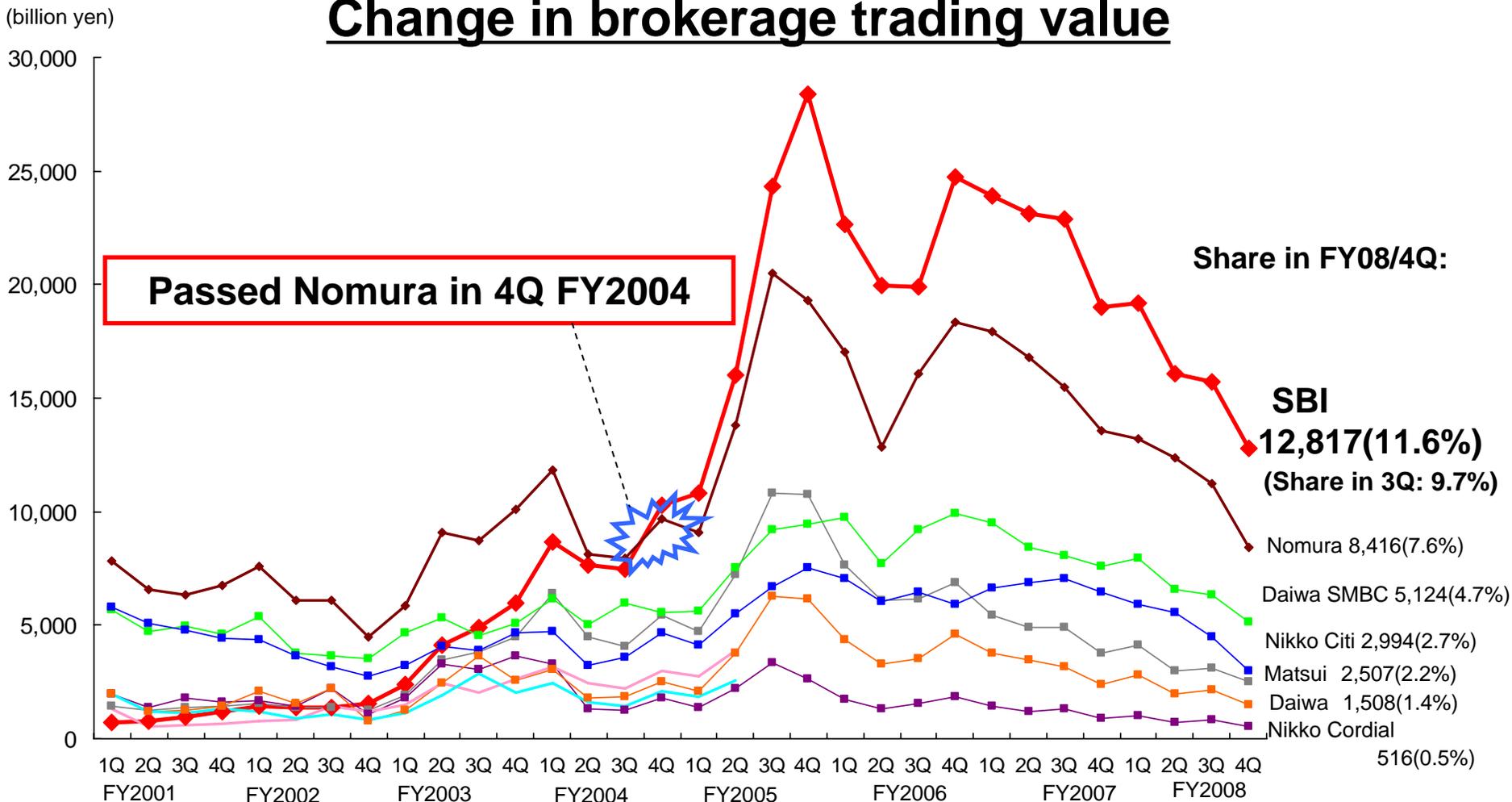
Basis comparison of five major online securities companies



Source: Based on company materials and monthly announcements.
 Brokerage commissions use non-consolidated data.
 SBI SECURITIES includes only trades through Internet

Comparison of Stock Brokerage Trading Value with Big Three Securities Companies

Change in brokerage trading value

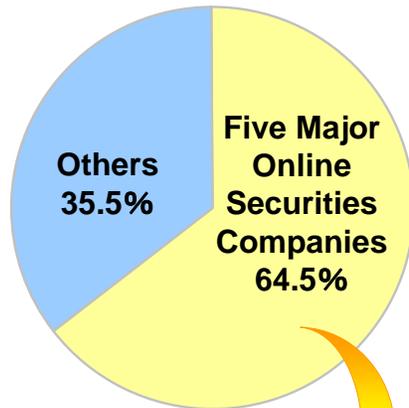


Major Online Securities Companies Share of Individual Brokerage Trading Value

SBI SECURITIES recorded a 38.7% share, setting a record high in FY2008

FY2006

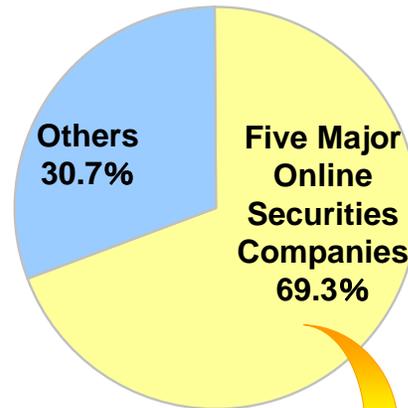
(Apr. 2006 - Mar. 2007)



SBI	29.4%
Rakuten	13.5
Matsui	9.2
Monex	6.5
Kabu.com	5.9

FY2007

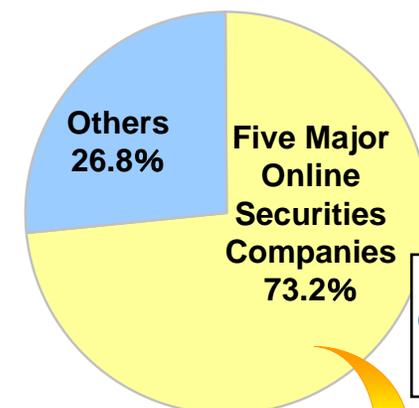
(Apr. 2007 - Mar. 2008)



SBI	35.9%
Rakuten	13.5
Matsui	7.8
Monex	6.2
Kabu.com	5.8

FY2008

(Apr. 2008 - Mar. 2009)



SBI	38.7%
Rakuten	14.4
Matsui	7.7
Monex	6.3
Kabu.com	5.9

Mar. 2009
(Single Month)
42.0%

Source: Based on TSE, JASDAQ and company materials
* Individual brokerage trading value is the sum of trades on the three major exchanges and JASDAQ.

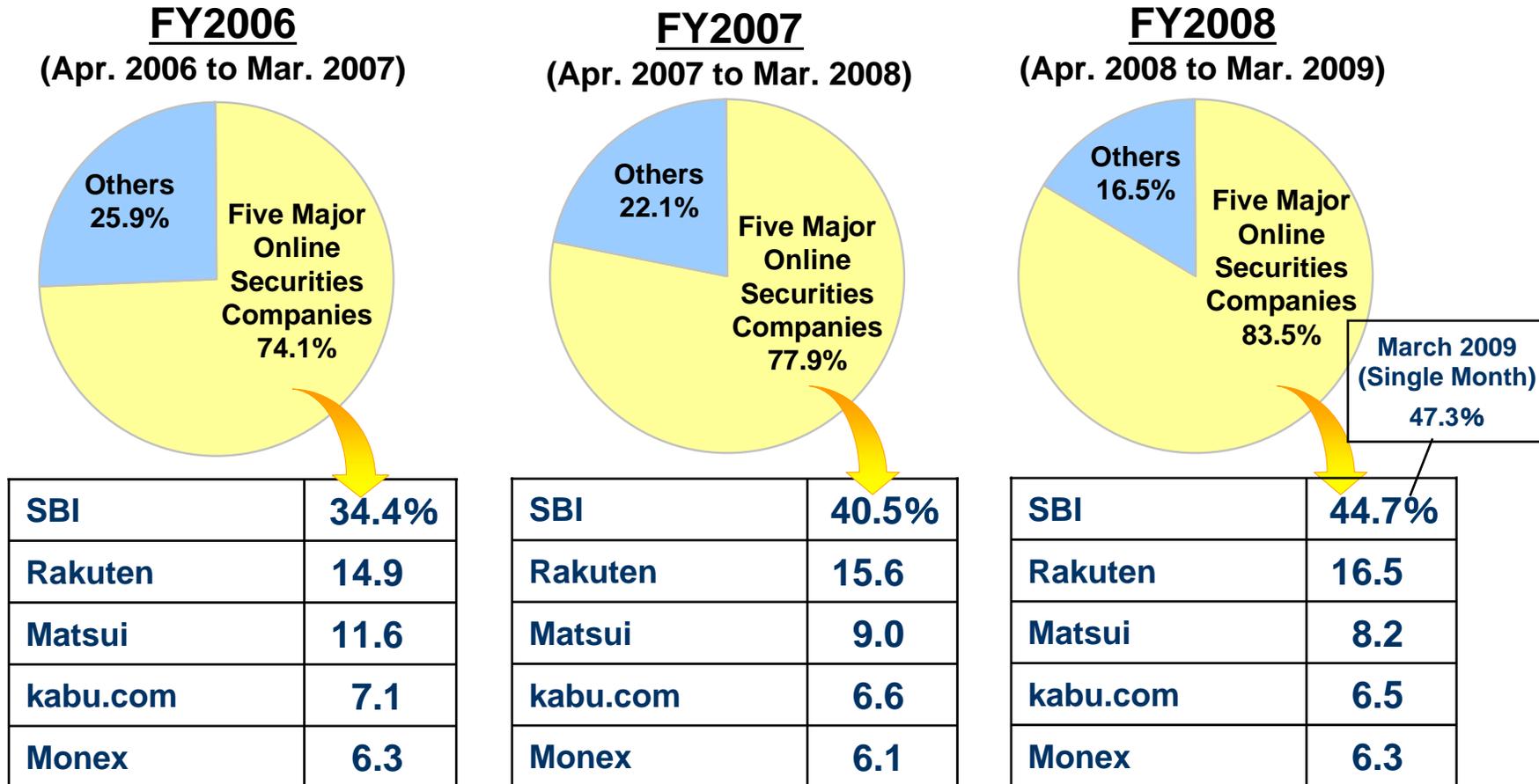
Figures of SBI SECURITIES only includes trades through Internet

Major Online Securities Companies' Market Share of Retail Margin Trading Value



SBI SECURITIES recorded a 44.7% share, setting a record high in FY2008

Change in share of retail margin trading value



Source: Based on TSE, JASDAQ and company materials
* Individual brokerage trading value is the sum of trades on the three major exchanges and JASDAQ.

Figures of SBI SECURITIES only includes trades through Internet

SBI Liquidity Market Co., Ltd.

(Started operation on November 17, 2008)

SBI Liquidity Market Produced a Substantial Earnings Contribution as Compared to the Initial Estimate



【Initial Earnings Estimate for FY2008 (established in Nov. 17, 2008)】

Target for contribution to earnings of SBI SECURITIES: approx. 800 mil. yen of Operating Income

Targeted earnings of SBI Liquidity Market: approx. 400 mil. yen of Operating Income



Substantially exceeded the initial estimate

【Earnings Contributions for FY2008】

(Unit: million yen)

	FY08/3Q	FY08/4Q	FY08(full year)
Operating Revenue	552	2,348	<u>2,900</u>
Incl. Gain on Trading of SBI SECURITIES (Operating Income for SBI SECURITIES)	346	1,486	<u>1,832</u>
Operating Income	114	732	<u>846</u>

*Amounts are rounded to nearest mil. yen

Reference: Financial Results of listed FX only brokerage company (FY08/3Q(9m)) (mil. yen)

	Operating Rev.	Operating Income	Market Cap. (as of Apr. 24)
Money Partners Group *	7,604	3,132	16,482
FX Prime	4,518	2,175	5,229
Money Square Japan	1,189	161	1,168

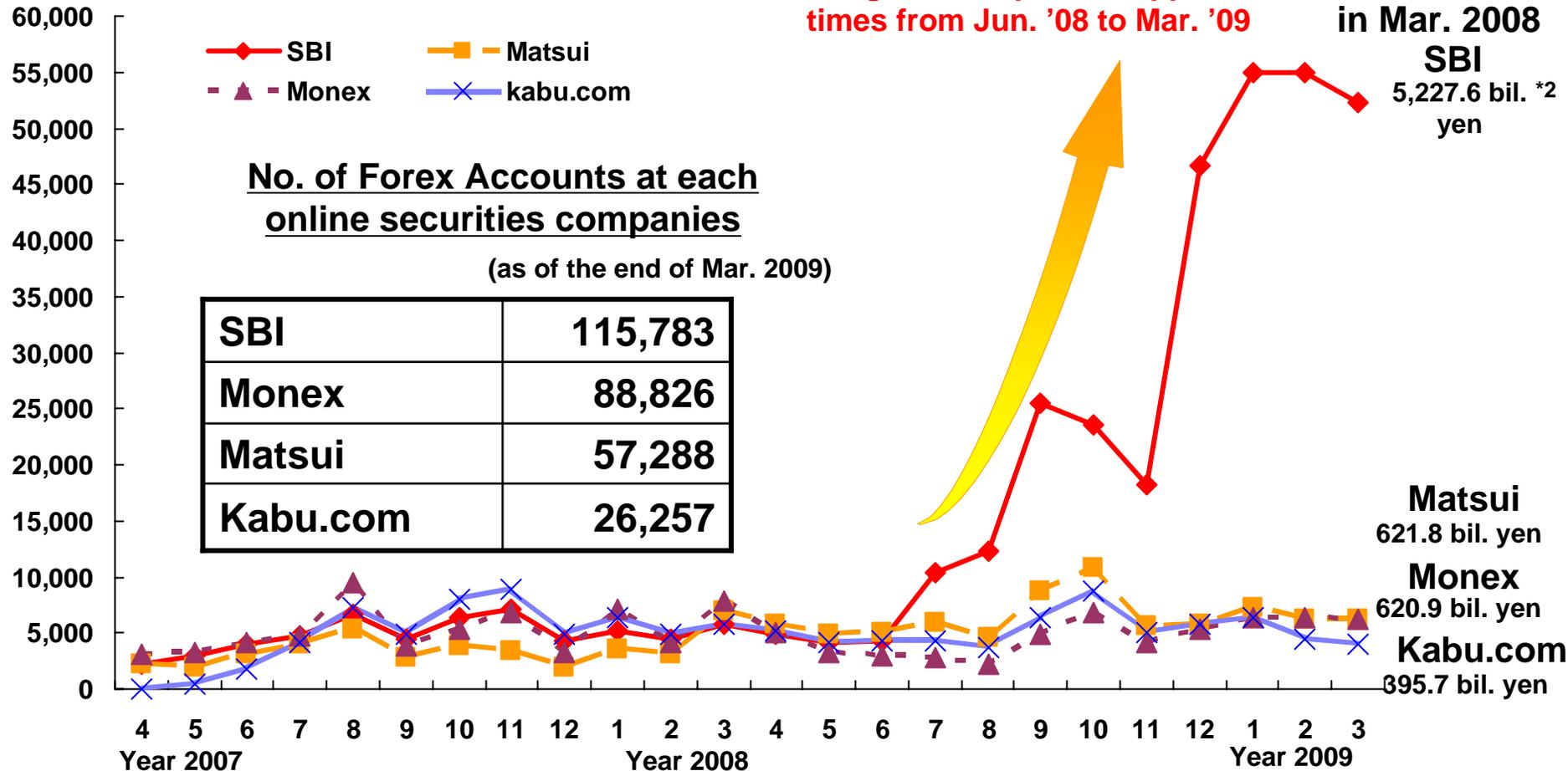
* Financial result of Money Partners Group is on a consolidated basis, those of others are on a non-consolidated basis.

Foreign Exchange Margin Trading Value of the Four Major Online Securities Companies

Forex margin trading value at SBI SECURITIES increased sharply after the improvement of service offerings utilizing SBI Liquidity Market

(Unit: 100 mil. yen)

Trading value expanded approx. 12 times from Jun. '08 to Mar. '09
 Trading Value in Mar. 2008



*1 Four online securities firms that disclosed the information (SBI SECURITIES, Monex, Matsui and kabu.com)

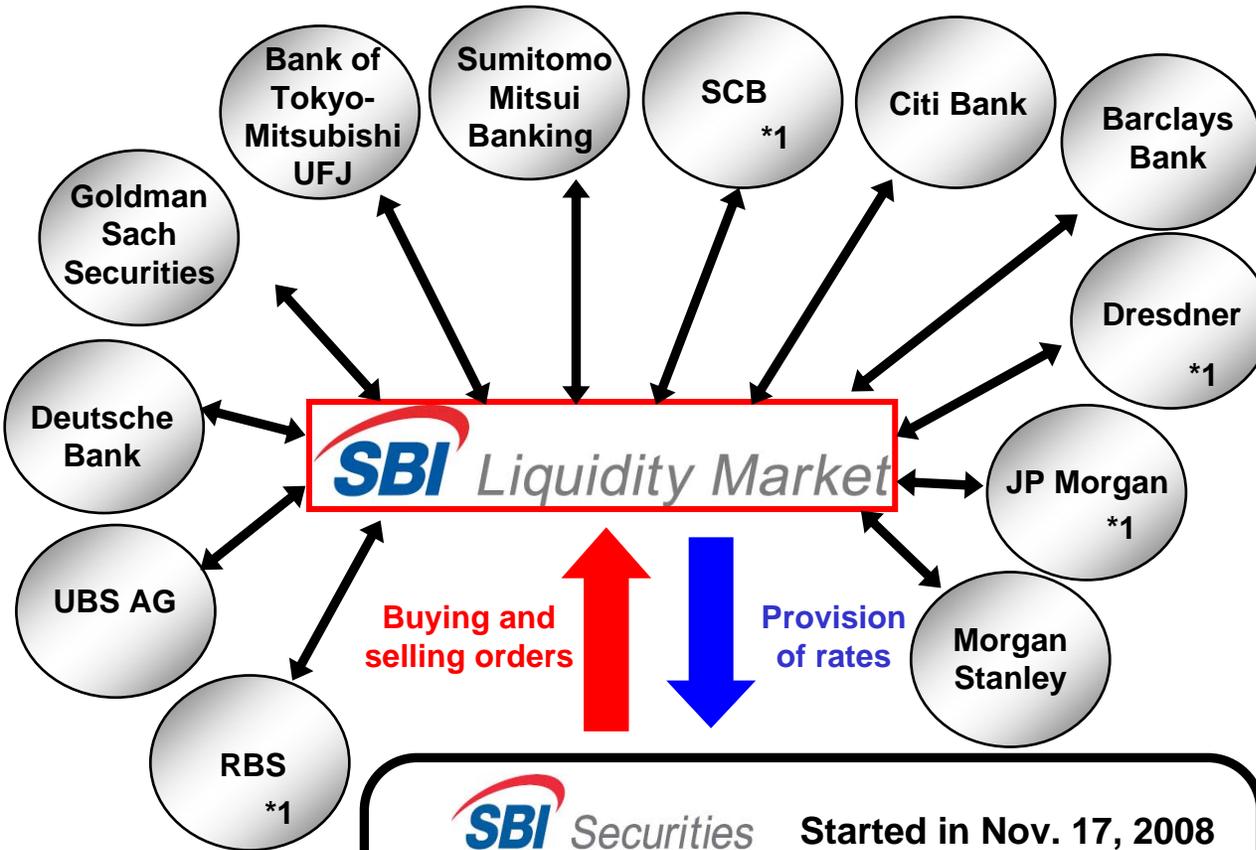
*2 Trading value total of "SBI FX" and "SBI FX α" from Nov. 2008 to Feb. 2009

SBI Liquidity Market has Rapidly Increased Trading Volume

in a Short Period of Time Since the Start of Operations

Counter Parties

Total of 12 banks (planned) incl. the U.S. and European major financial institutions and major domestic banks
(Under negotiation with four other financial institutions)



(Started operations in Nov. 17, 2008)

	No. of Accounts (SBI FX α)	Daily Average Trading Volume
Nov-08	70,683	71,400
Dec-08	93,498	175,544
Jan-09	105,361	259,775
Feb-09	112,312	281,844
Mar-09	115,783	256,565

【Reference】

Click365

(Started operations in Jul. 2005)

	No. of Accounts	Daily Average Trading Volume
Mar-09	139,458	241,129

Source: Compiled by SBIH based on disclosed company materials on websites and other sources

*1 Abbreviated company name

RBS···Royal Bank of Scotland
SCB···Standard Chartered Bank
Dresdner···Dresdner Kleinwort
JPM···JPMorgan Chase Bank

 **Started in Nov. 17, 2008**

 **Started in Jan. 26, 2009**

 **Preparing to start in Spring of 2009**

【SBI Japannext Co., Ltd.】

(started operations on Aug. 27, 2007)

Started Daytime Trading Session During the 3rd Quarter

Becoming the Largest PTS in Japan

Average daily trading value in FY09/4Q increased 8.7% to approx. 2.5 bil. yen from a quarter earlier

Monthly Trading Value Comparison Among PTS Providers (2009) (Unit: million yen)

Operating Company	Start of Operation	Jan			Feb			Mar		
		Daytime	Nighttime	Total	Daytime	Nighttime	Total	Daytime	Nighttime	Total
SBI Japannext	Aug-07	24,429	18,876	43,306	22,413	14,331	36,734	45,823	20,806	66,629
Kabu.com	Sept-06	7,032	285	7,317	10,475	187	10,662	15,241	271	15,512
Monex	Jan-01	—	2,092	2,092	—	1,392	1,392	—	2,101	2,101
Daiwa	Aug-08	—	1,092	1,092	—	984	984	—	1,341	1,341
Matsui	May-08	6	—	6	11	—	11	8	—	8

(as of the close of business on Apr. 24)

At a monthly trading value of 91.9 billion yen, set another all time high, outpacing the March results.

Daily trading value on Apr. 20 reached 8.7 bil. yen, which exceeded that of JASDAQ(7.3 bil. yen) for the first time.

- Note: 1. Trading value in November is based on information from each company's website, Japan Securities Dealers Association's website and Nikkei QUICK
2. The above figures are compiled by SBIH and might be different from those announced by each company
3. Figures are single count (purchases and sales not counted separately)

Improving Customer Convenience

◆ Tick size :

Tick size during the daytime trading session is **smaller than a tenth of TSE**
 (Tick size during the nighttime trading session corresponds with TSE)

➡ Provide investors with the opportunity to trade stocks at more favorable prices than the best bid and ask prices offered on the stock exchanges

The Japannext PTS :

Ex. An example of board on April 21, 2009

0#8411.JN みずほFG		JNX	
現値 ↓	193.2 14:41	(14:41) 売気配	買気配 (14:41)
	-3.8 -1.93 %	500	197.0
	193.8 14:32	2100	195.0
	193.2 14:32	200	194.9
	193.8 14:28	200	194.0
	193.2 14:28	400	193.8
出来高	100		101200
累計出来高	743500 14:41		5100
売買代金	143433.2 14:41		200
終値 *197.0	(09-04-20)		1100
			188.0 500

Price standard		Tick size		
		The Japannext PTS	Kabu.com PTS	TSE
Over 1 yen	Under 2,000yen	0.1yen	1yen	1yen
Over 2,000yen	Under 3,000yen	0.5yem	1yen	5yen
Over 3,000yen	Under 30,000yen	1yen	1yen	10yen
Over 30,000yen	Under 50,000yen	5yen	10yen	50yen
Over 50,000yen	Under 300,000yen	10yen	10yen	100yen
Over 300,000yen		100yen (uniformly)	100円~ 10,000円	1,000- 100,000 yen

(Extracted from Reuters 3000Xtra)

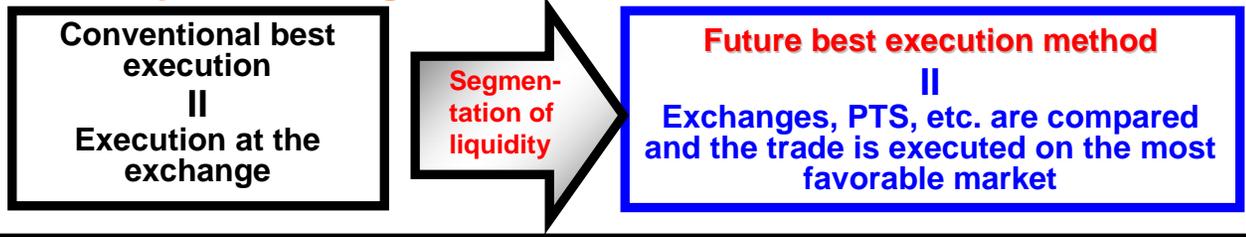
*Stock Exchange Tick Size

*Japannext PTS tick size (within the stock exchange tick size)

The Japannext PTS best bid price is **193.2 yen** and the best ask price is **193.8 yen**
 → The Japannext PTS best bid and ask prices are within the best bid and ask prices of the exchange

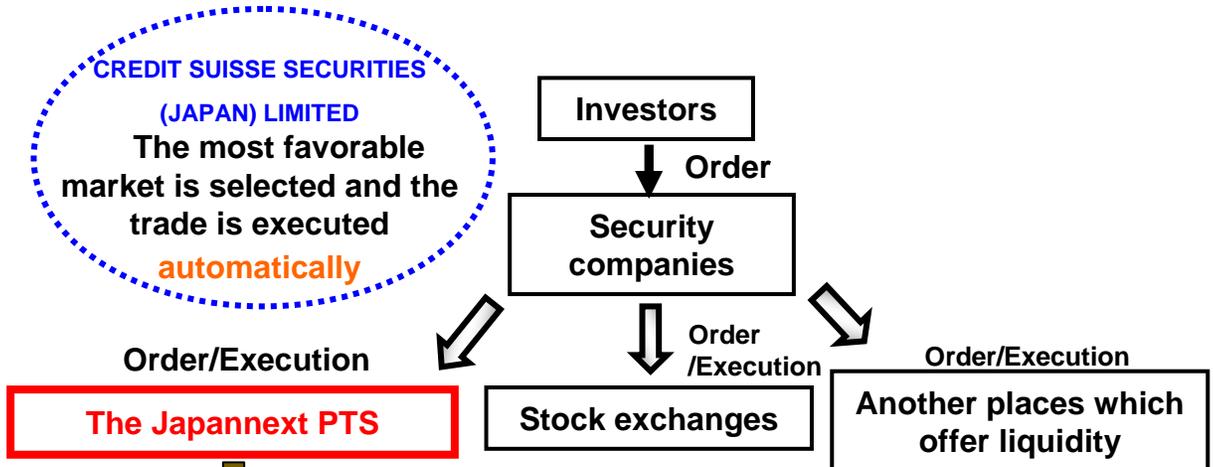
Best execution method gaining popularity among securities companies

Article 40-2 of the Financial Instruments and Exchange Law states that a financial instruments business operator **must establish policies and methods that allow the customer orders to be executed under optimal trading conditions**



Best execution takes into consideration "price," "speed," and "likelihood of execution"

Newspaper Article



Featuring such functions as the "highly functional system" or "small tick size", the system is increasing its liquidity along with providing the best execution possibility that will further attract securities companies and investors.

(3) Financial Services Business

Fiscal 2008 (Year ended March 31, 2009)

Operating Revenues: 22.6 billion yen (+1% YoY)

Operating Income : 1.5 billion yen (+76% YoY)

Existing business:

Operating Revenues 22.4 bil. yen (0% YoY)

Operating Income 2.9 bil. yen (-9% YoY)

Owing to the reduction of
deficits at new business

New business:

Operating Revenues 1.0 bil. yen (+219% YoY)

Operating Income -1.4 bil. Yen (improved 0.9 bil. yen YoY)

Major consolidated subsidiaries and affiliated companies

- SBI Holdings (Business Div.)
- Morningstar Japan
- Gomez Consulting
- SBI VeriTrans
- SBI Sumishin Net Bank (equity method affiliate)
- SBI Insurance
- SBI AXA Life Insurance
- SBI Card
- SBI Card Processing

SBI Card (-0.5 bil. yen)
SBI Card Processing (-0.6 bil. yen)
SBI AXA Life Insurance (-0.3 bil. yen)

Notes:

1. The above figures were calculated using the new accounting standard (with fund consolidation) for each segment.
2. The above figures do not include eliminations for consolidation and the deduction of corporate expenses.
3. Rounded to the nearest 100 million yen.

Highlights of Financial Services Business

Operating Income fell 9% for existing businesses, however, new businesses reduced their deficits by 0.9 billion yen YoY (improvement of 0.66 billion yen in the online insurance business and 0.27 billion yen in the card related business), which resulted in a 76% increase to 1.5 billion yen in operating income for the Financial Services Business.

[Existing businesses]

- 1) Morningstar Japan's FY2008 performance declined YoY in consolidated revenues and earnings due to the weak performance of its subsidiary Gomez Consulting. However, there was a significant increase in non-consolidated revenues and earnings. The non-consolidated result was a 90.4% increase to 2,317 million yen in revenues, and a 11.5% increase to 256 million yen in net income from a year earlier.
- 2) SBI VeriTrans' consolidated FY2008 performance achieved growth in revenues and earnings, with operating revenues, operating income, ordinary income, and net income up more than 20% YoY.
- 3) Marketplace business, which operate financial comparison websites, recorded a 11.3% increase to 4,737 million yen in revenues. Transactions at all the financial comparison websites increased to 929,000, which was another all time high.

[New businesses]

- 1) SBI Sumishin Net Bank continued to achieve steady growth in deposits to 629.9 billion yen, and customer accounts to 418,489 as of Mar. 31, 2009.
- 2) SBI Insurance started operations in January '08, and increased the number of contracts after the discount of premium and the redesign of its website. SBI AXA Life Insurance started operations in April '08, and will endeavor to acquire new customers through the sales of its products at its Internet-based agencies.

Performance of Publicly Owned Subsidiaries

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

	Operating Revenues	Operating Income	Ordinary Income	Net Income
※1				
※2 Morningstar Japan (FY2008)	2,792 (-)	323 (-)	406 (-)	247 (-)
※2 Gomez Consulting (FY2008)	404 (-)	-45 (-)	-35 (-)	-21 (-)
SBI VeriTrans (FY2008)	4,402 (+18.8)	921 (+21.5)	942 (+23.3)	561 (+25.0)

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

*2 Morningstar Japan and Gomez Consulting changed from a December to March fiscal year in 2007. The current fiscal period for these two companies is the 15-month period from Jan. 2007 through Mar. 2008, therefore, YoY change is not available for these two companies.

(4) Housing and Real Estate Business

Fiscal 2008 (Year ended March 31, 2009)

Operating Revenues 40.9 bil. yen (-46% YoY)

Operating Income 0.9 bil. yen (-89% YoY)

Major consolidated subsidiaries and affiliated companies

- **SBI Holdings (Business Div.)**
- **LIVING Corporation**
- **SBI Mortgage**
- **CEM Corporation**

Notes:

1. The above figures were calculated using the new accounting standard (with fund consolidation) for each segment.
2. The above figures do not include eliminations for consolidation and the deduction of corporate expenses.
3. Rounded to the nearest 100 million yen.

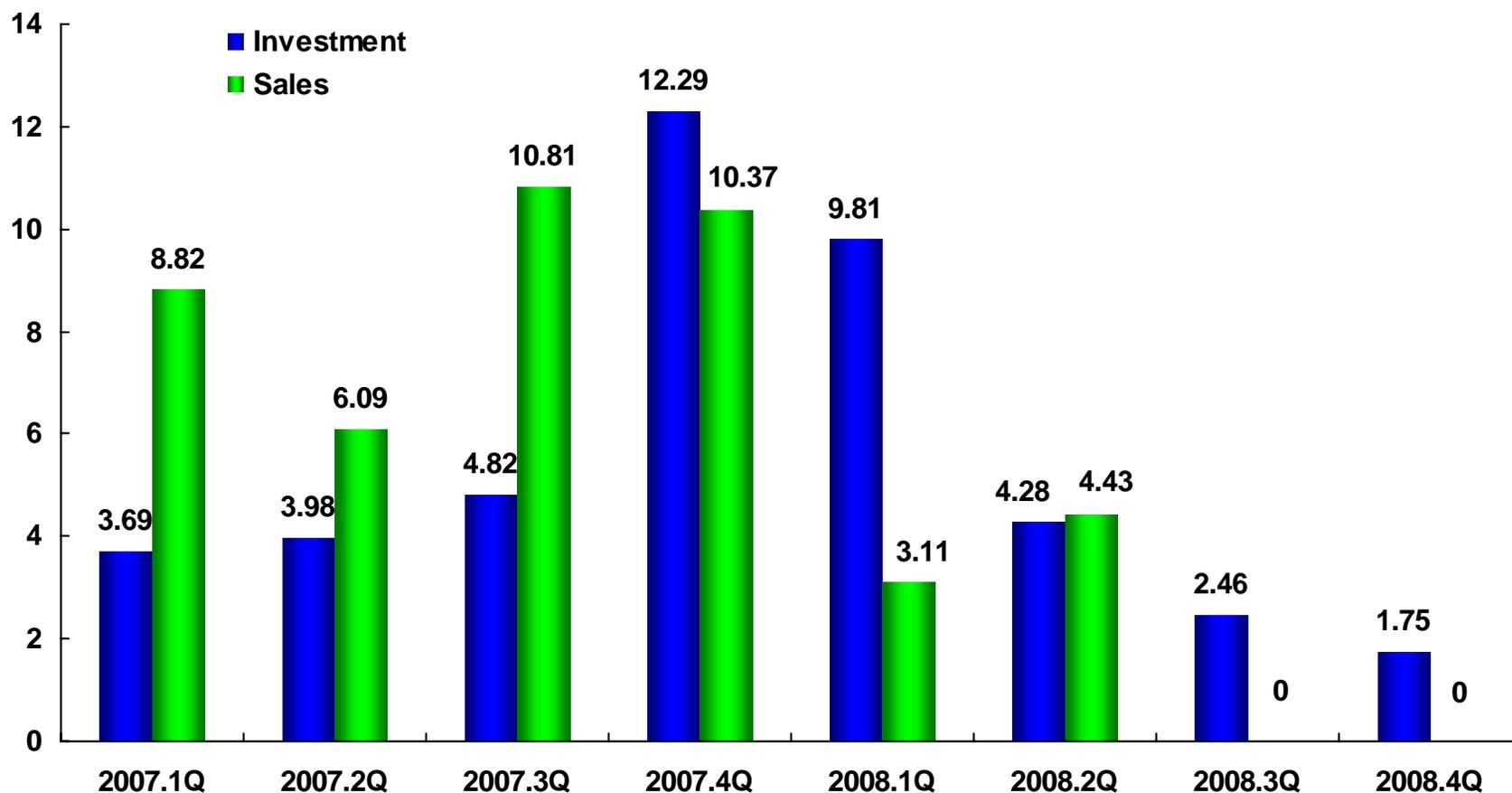
Highlights of Housing and Real Estate Business



- I. In the Housing and Real Estate Business, Japan's shrinking real estate market impacted the segment's performance. The result was a **46% drop to 40.9 billion yen** in revenues, and an **89% decrease to 0.9 billion yen** in Operating Income from a year earlier.
- II. The Housing and Real Estate Business recorded an operating deficit in 4Q, for CEM Corporation (a consolidated subsidiary owned by SBI Value Up Fund No. 1 managed by SBI Capital, in addition to SBIH) recorded for property for sales (245 mil. yen) and allowance for doubtful asset (457 mil. yen).
- III. In the real estate business, there were a number of property sales in FY2007. In FY2008, most planned property sales were completed in the first quarter (Apr.-Jun. '08). As a result, sales were down sharply from a year earlier. Currently, new investments are reduced, and the timing of its recommencement is considerably examined.
- IV. Due to the current real estate market conditions, the SBIH Group established a 5.5 billion yen* credit facility for subsidiary LIVING Corporation. Only 0.85 billion yen of this facility have been used as of the end of Mar. 2009, demonstrating that this company can operate largely on its own. *as of Apr. 27
- V. SBI Mortgage continues to offer the industry's lowest interest rate for "Flat 35", and has steadily increased its **loans outstanding to 463.9 billion yen** as of the end of Mar. 2009.
(SBI Mortgage fiscal result of FY08: 5.3 billion yen of operating revenues, and 1.13 billion yen of operating income)
- VI. The Lifestyle Networks Business achieved consistent growth, as the combined operating income of the Internet Media sector and Market Intermediary sector **increased 89.8% YoY to 454 million yen in operating income in FY2008.**

Quarterly Real Estate Investments and Sales by SBIH Real Estate Business Div.

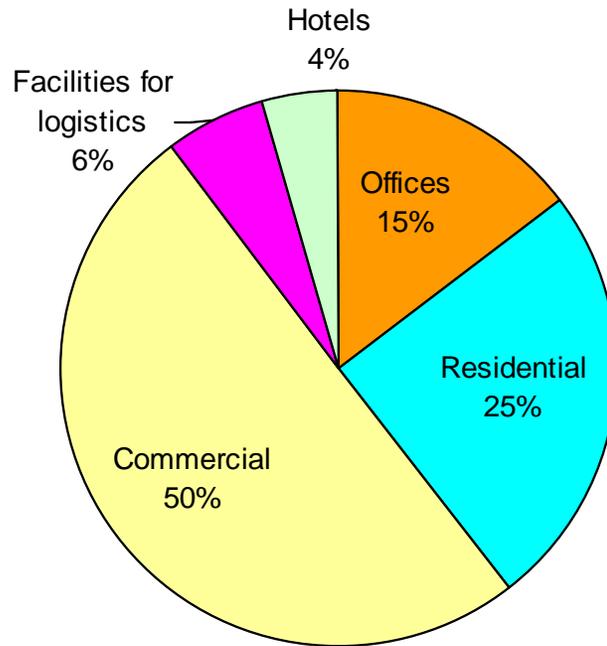
(billion yen)



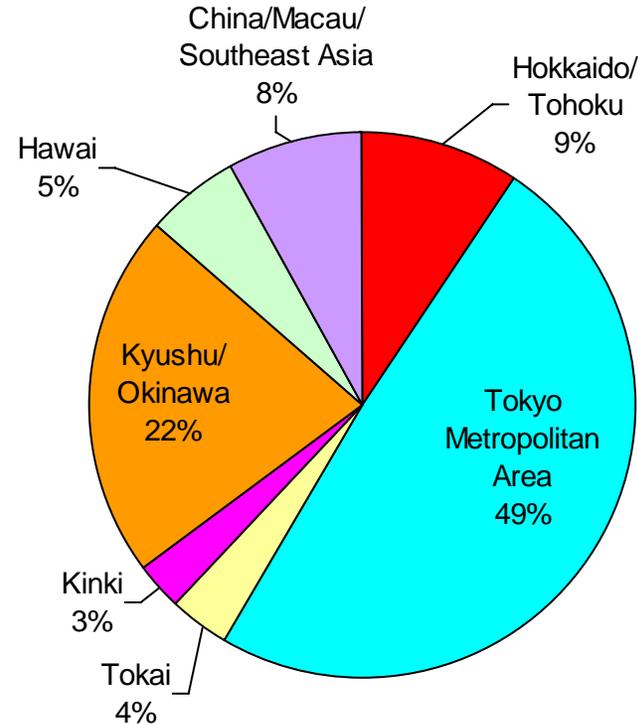
*Investments and sales are actual results for the Real Estate Business Div.

Properties Owned by the SBIH Real Estate Business Division

Property Type



Location



*as of the end of March 2009
based on invest amount

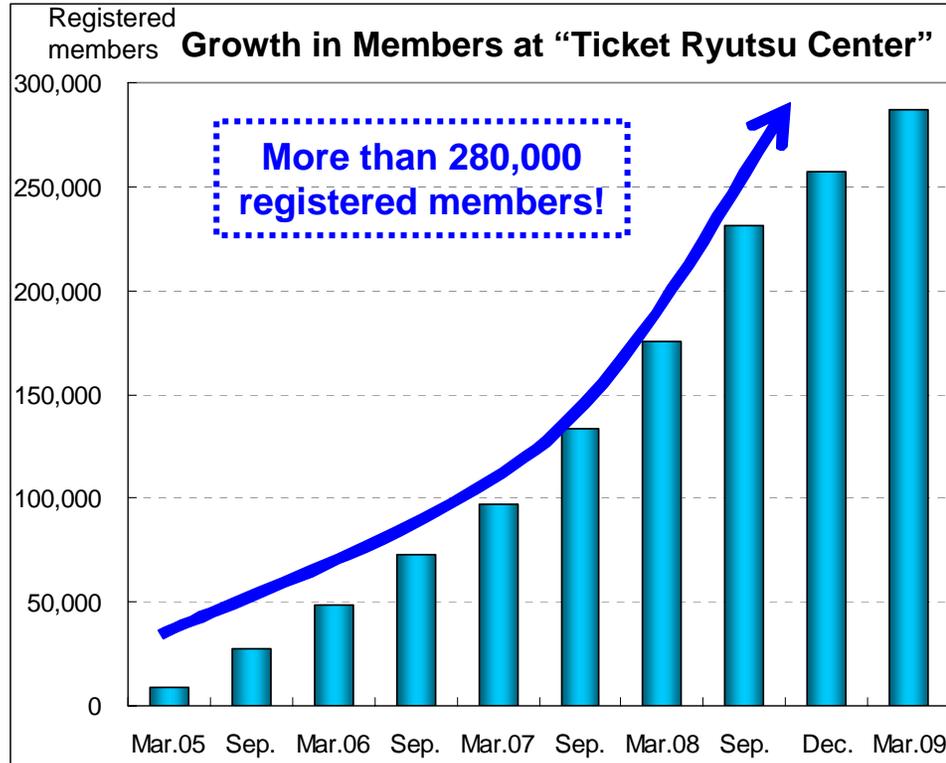
Principally developing properties with our own capital instead of leveraged loans

Lifestyle Networks Business Posted Significant Growth **SBI**

Holdings

Intermediary Market Sector – Operation of intermediary websites

- FY2008 revenues up 65.6% YoY to 802 million yen, and operating income up 96.7% YoY to 415 million yen
- The number of trades of “*muSBI*,” an intermediary website for purchases and sales of merchandise, increased 385.2% YoY to 46,000
- The number of registered members of “Ticket Ryutsu Center”, an online ticket sales agency, exceeded 280,000.



Internet Media Sector – Comparison and search websites

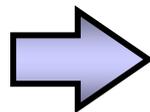
- FY2008 operating income was up 37.4% to 38 million yen.
- At the moving estimate website “Hikkoshi Tatsujin Select” and the discount airline ticket comparison website “ALL Kakuyasu Koukuken Hikaku”, there were large increase in requests for estimates from cell phones. Other comparison websites also performed well.

【Bond Information】

Bond Redemption

Recent Bond Redemption

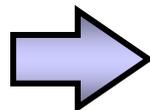
	Amount (bil. yen)	Redemption Day
SBI SECURITIES Unsecured Straight Bond	50.00	Mar. 10, 2009
SBI Holdings Yen-denominated CB (maturing in 2009)	11.48*	Apr. 8, 2009



All redeemed by self-financing

*Amount of bond after 1,290 million yen of purchase and retirement in Mar. 2009

	Amount (bil. yen)	Redemption Day
SBI Holdings Unsecured Straight Bond	30.00	Sept. 25, 2009

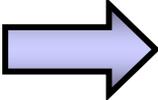


Plan to finance through the issuance of bonds based on Euro Medium Term Note (Euro MTN) Program, with 19 billion yen already financed.

Cash Balance as of the end of Mar.'09 (consolidated): 127.1 bil. yen

Financing through Euro Medium Term Note (Euro MTN) Program

Mar. 19, 2009: Completed the setup of Euro MTN

- 
- Issuance of individual bonds with limitation of 50 billion yen is available as needed
 - Secure stable capital through flexible bond issuance

Apr. 2009- (in series):

Started to issue SBI Holdings yen-denominated Bond (SBI Bond) based on Euro MTN to private and institutional investors

Issued four times and each sold out within a week

May continue to issue based on capital needs

3. Market Outlook and Current Financial Year Strategy

- (1) Market Overview and Summary of Related Segments**
- (2) Continuous Reorganization of the SBIH Group to Further Enhance Management Efficiency**
- (3) Pursuing Greater Synergies among the SBIH Group Companies**
- (4) Rapid Development of New Businesses That Are Not as Sensitive to Stock Market Volatility**
- (5) Overseas Businesses Enters a New Stage**

(1) Market Overview and Summary of Related Segments

Premises for Market Outlook

Japanese Equities

With some initial signs of a rebound in the U.S. housing market, a U.S. economic recovery may be possible earlier than the mid 2010 timeframe that is widely expected. If so, a recovery of the U.S. stock market, which usually precedes the real economy, may occur sometime in the fall to the end of the year in 2009. Owing to a relatively close correlation to the U.S. stock market trend, it is possible that the Japanese stock market may follow a similar pattern.

Overseas Equities

Among emerging countries, China(②) and Vietnam are likely to recover earlier than others, followed by India.

Foreign Exchange

Due to a weaker than expected domestic demand, the economic growth rate in Japan declined further than predicted. In addition, anxieties about Japanese politics weakened the yen to 1 dollar=100 yen. The dollar is expected to remain in a range of 95 to 100 yen for the foreseeable future.

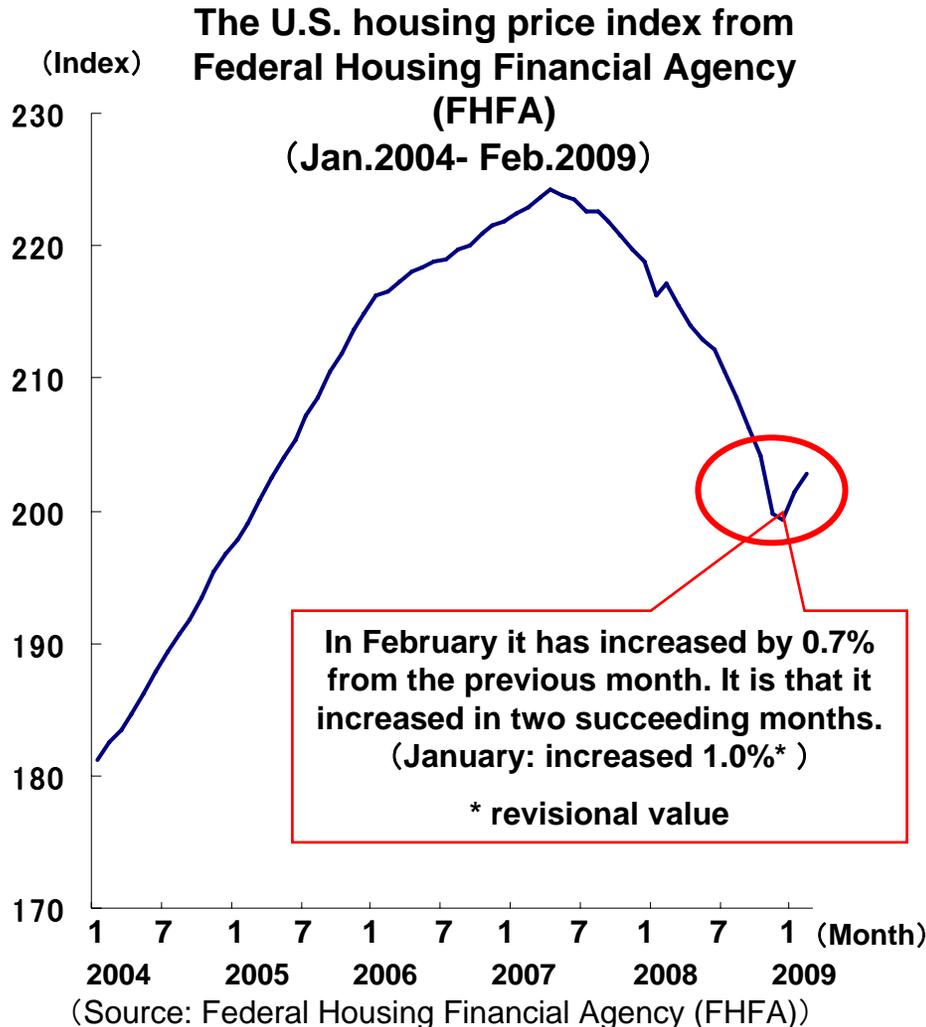
Japanese Real Estate

Expect a recovery to start about one year after the stock market begins to recover.

① The Sign of Rebound of the the U.S. Housing Market **SBI**

Holdings

The U.S. housing price index rose in February from January. The sales of new housing turned positive, and so the first signs of a recovery may be imminent.



Sales of new housing in the U.S.

2009

January: 309,000 houses *initial announcement
(→320,000 *revised upward in February)

The worst number since first published in 1963



February: 337,000 houses *initial announcement
(increased by 4.7% from January)
(→358,000 houses revised upward in March,
increased by 8.2% from January)

Turned positive for the first time in 7 months



March: 356,000 houses *initial announcement
(decreased by 0.6% from February)

Exceeded market prediction

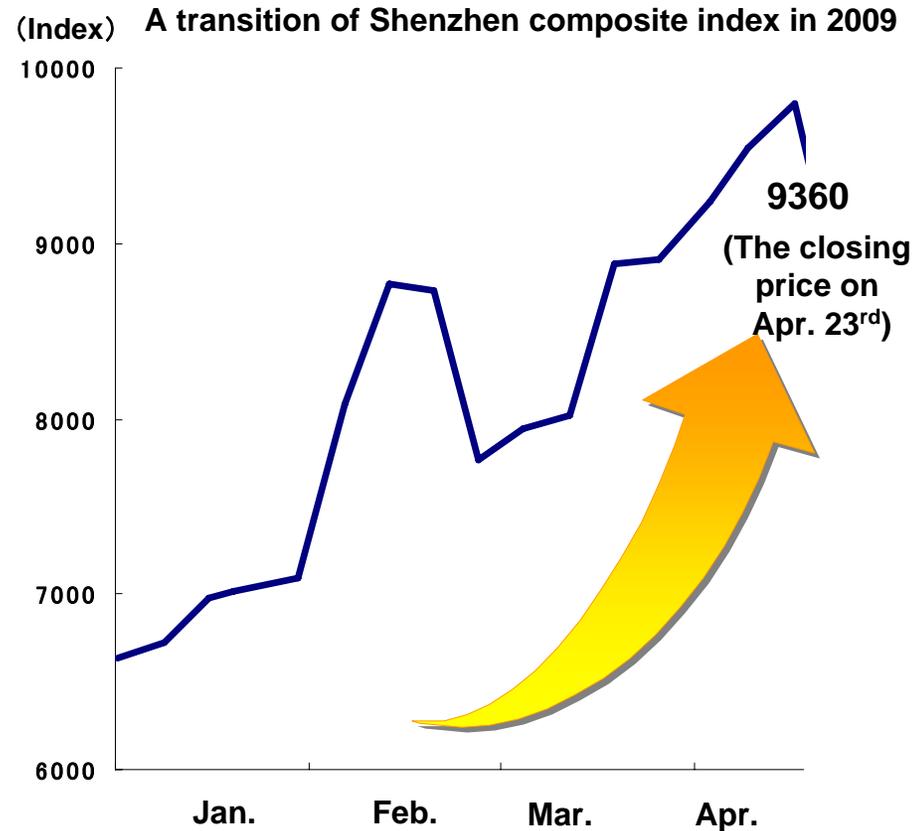
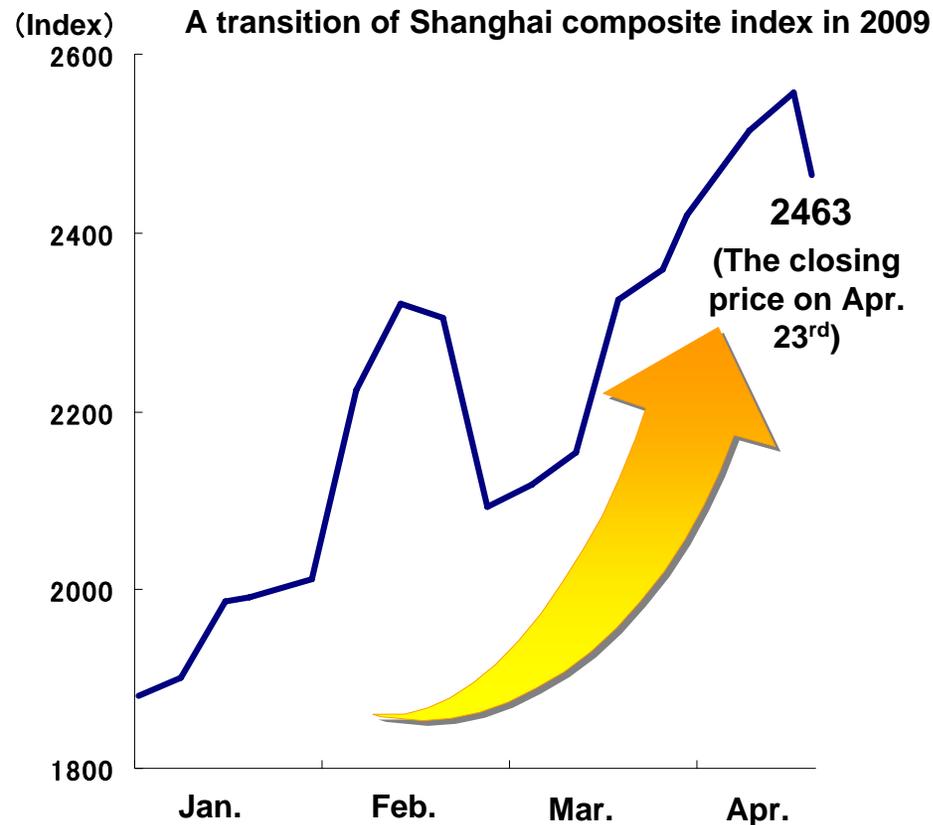
※an annual rate adjusted without seasonally bias.

(Source: the United States Department of Commerce)

② An Upward Trend in Chinese Markets

From the beginning of this year, both the Shanghai and Shenzhen markets are on an upward trend, while the Nikkei Avg. increased just 1.5% since the end of 2008.

(※Referring to the closing price of 23th Apr.)



Goldman Sachs has revised Chinese growth rate of 2009 upward from 6% to 8.3% and also revised that of 2010 from 9.0% to 10.9%.

③ Vietnam: Maintaining a relatively high level of growth

**Newspaper
Article**

(Excerpt from the article)

“According to the General Statistics Office of Vietnam, net sales in the retail and services industry increased by 21.9% YoY from January to March 2009. Governmental measures such as postponing the introduction of the individual income tax and increasing the minimum wage have also increased consumption”

“The Asian Development Bank estimates Vietnam’s growth rate for this year at 4.5%...(and) expects it to be the highest in the region in 2010 at 6.5%”

<Comment from the ADB Resident Director General>

“Vietnam has a very low proportion of high-end electronic devices in its exports in the Asian region. The economic downturn in Europe, the US and Japan, where most high-tech products are exported to, has little effect on Vietnam’s exports, compared with other countries”

Major objectives by segment

Asset Management:

Preparation for establishment of two overseas funds are in the final stage. If the preparation is completed, this will largely complete current measures to establish a framework for overseas operations. The only remaining goal is starting operations in Brazil.

Funds that have been established and are currently contemplating investments will quickly build their portfolios while global stock markets are on their way to recovery, so as to capture existing attractive investment opportunities.

Brokerage & Investment Banking:

Positioning itself to further increase its share of trading volume to maximize earnings as the stock markets recover.

Using foreign exchange and other activities to diversify sources of earnings.

Housing and Real Estate:

Aggressively selling properties, while holding off on new investments.

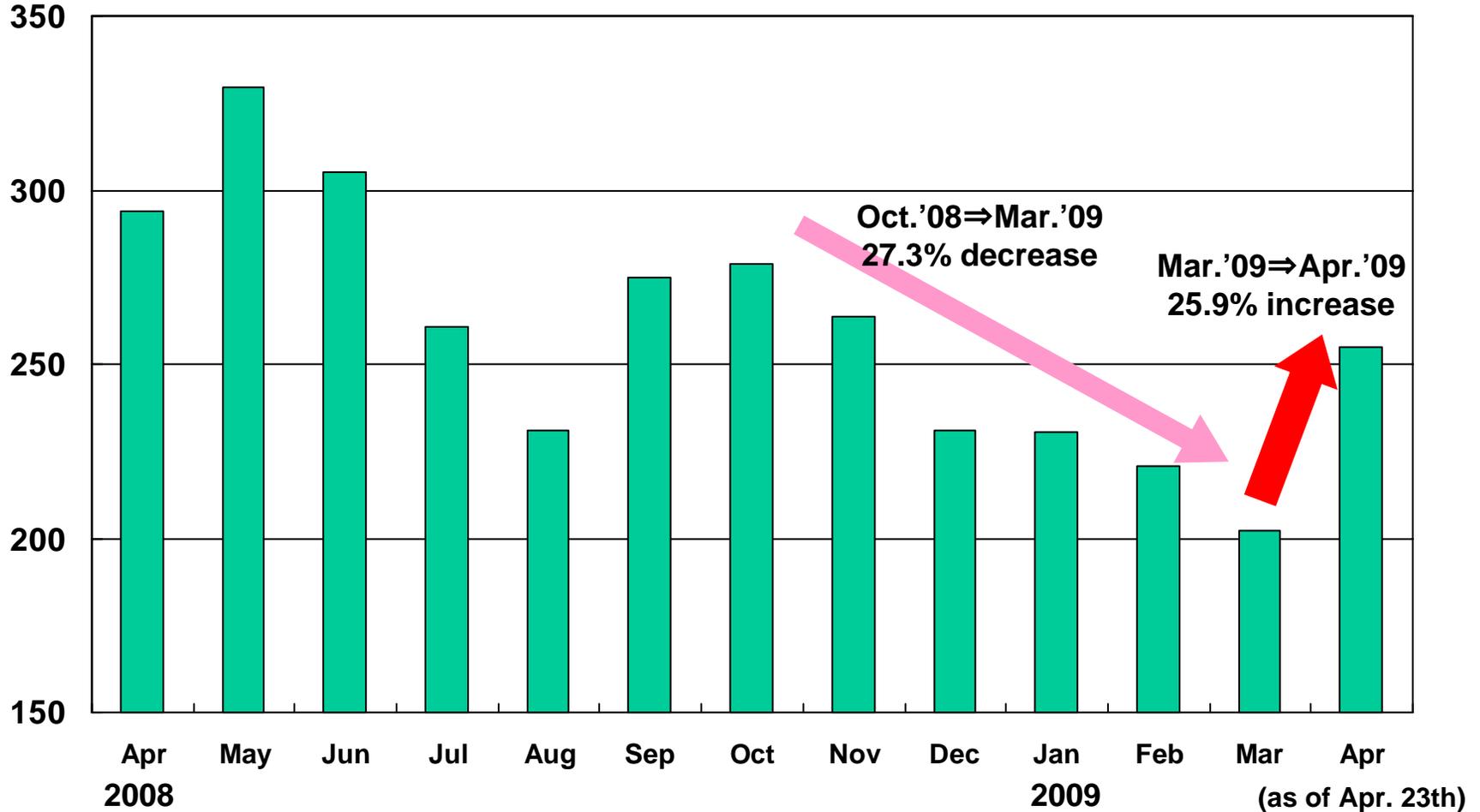
【Sign of Recovery in FY 2009】

Sign of Recovery in FY 2009 ①

Change in Daily Average Stock Brokerage Trading Value at SBI SECURITIES

Daily average stock brokerage trading value that continued to decrease from October 2008 started to increase in April 2009, as the market recovered

(Unit: bil. yen)



SBI SECURITIES' operating income and net income have already recorded an increase from 3Q to 4Q

Sign of Recovery in FY 2009 ②

Actual and Expected IPOs and M&A Deals in the Asset Management Business

	From start of operations to FY2006	FY2007	FY2008	FY2009 Forecast
IPOs and M&A deals	99	12	0	7

Portfolio companies have postponed their IPOs because the investigation and approval process has become rigorous and requires more time. However, during FY2009, SBIH currently expects 7 portfolio companies to complete their IPOs.

Note: The estimated number of IPOs represents companies in the highest of five categories used to evaluate portfolio companies by SBI Investment's Investment Committee, which meets weekly. The IPO estimate represents the outlook of SBI Investment based on its own evaluations and is not a guarantee of the number of future IPOs. Past performance includes companies that have already been sold.

Sign of Recovery in FY 2009 ③

Overseas VC Fund Management Status

New Horizon Fund

The New Horizon Fund, which started with relatively low book value, continuously sold stocks in its portfolio as the Chinese stock market recovered.

Stocks Sold from Apr.1st to 24th

	Zoomlion	Goldwind	Kingsoft
Number of stocks (million)	2.16	3.00	18.11
After-tax sales value (million yen)	638	1,629	881

-Some of the funds restarted investment that had been once suspended

Fullerton Asia Financial Fund

The Fullerton Asia Financial Fund, which started its investment operations in October 2008, has steadily managed its investment portfolio in Hong Kong, Taiwan and Southeast Asia. Even under the current world financial crisis, the fund manages approximately 48 million USD, and has recorded an earnings yield of 2.3% as of April 23rd.

(2) Continuous Reorganization of the SBIH Group to Further Enhance Management Efficiency

Continuous Reorganization of the SBIH Group for Further Enhance Management Efficiency (1)



Merging Subsidiary Wholly Owned

SBI Futures (FY08 operating income: -0.45 bil. yen)

As the domestic commodity futures market continues to shrink and the business environment continues to dampen, SBIH will discontinue its commodity trading brokerage business, and will merge SBI Futures, a wholly owned subsidiary through a stock exchange.

Summary of Stock Exchange

- Schedule of stock exchange (plan)

April 27th	Signing of stock exchange agreement
July 27th	Final trading date for SBI Futures stocks
July 28th	Delisting date of SBI Futures
August 1st	Effective date of stock exchange

- Stock allowance ratio

3 SBI Holdings stock per SBI Futures stock

- Number of SBIH's treasury stock required for stock exchange

23,040 stocks (no issuance of new stocks)

Continuous Reorganization of the SBIH Group for Further Management Efficiency (2)



Sales

SBI Card Processing (FY08 operating income: -0.61 bil. yen)

Separated the card processing business due to its insignificance in the SBIH Group's business portfolio, and now negotiating its sale to a system vendor

Transfer of business segment to an environment with higher growth potential

SBI Equal Credit (FY08 operating income: 0.23 bil. yen)

As of April 21, all loan services are suspended with efforts focused on guaranteeing the online consumer loans of SBI Sumishin Net Bank

Integration to achieve business efficiency

SBI Card (FY08 operating income: -0.50 bil. yen)

A merger with SBI Equal Credit is planned to increase operating efficiency by integrating related businesses.

Business diversification to develop SBI Money Plaza franchising

SBI Mortgage

(FY08 operating revenue: 5.2 bil. yen, operating income: 1.13 bil. yen)

Development through establishing SBI Money Plaza mainly through a franchise formula, which handles not only housing loans but also various financial products both within and outside of the SBIH Group, within the vicinity of SBI Housing Loan shops.

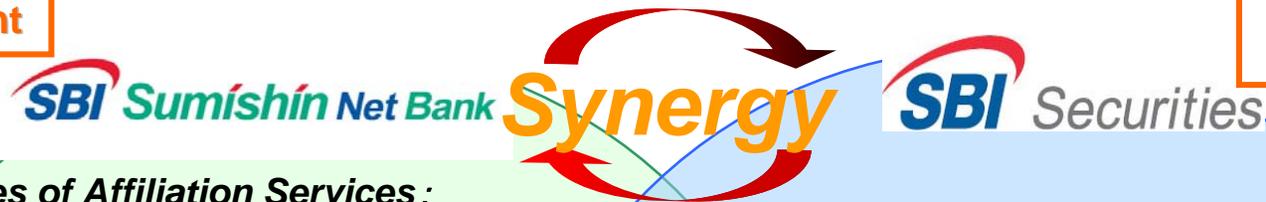
(3) Pursuing Greater Synergies among the SBIH Group Companies

Examples of Synergistic Effects Among the SBIH Group (1)

SBI Securities and SBI Sumishin Net Bank

Settlement

Asset Management



Examples of Affiliation Services:

Aggregation functions

Simultaneous display of accounts of SBI Sumishin Net Bank and SBI SECURITIES. Easy access to stock trading platform of SBI SECURITIES, with one click on the Bank's stock information page

Automatic transfer services for additional margin deposits

Automatic cash transfer from a yen savings account at SBI Sumishin Net Bank to an account at SBI SECURITIES when additional margin deposits are needed

SBI Hybrid Deposits (Automatic deposits and withdrawals of stock trading deposits)

SBI Hybrid Deposit balance can be integrated into available deposit balance for stock trading, margin trading, and actual receipt of stock purchased at SBI SECURITIES

One-time account opening

One-time account opening for both SBI Sumishin Net Bank and SBI SECURITIES
(SBI SECURITIES's banking agency)

About half* of new accounts at SBI SECURITIES apply for account opening at SBI Sumishin Net Bank

Examples of Synergistic Effects Among the SBIH Group (2)

An insurance portal “InsWeb” and Internet life and nonlife insurance business

Japan’s largest insurance estimate and comparison website, “Insurance Market Place”



An insurance portal providing cost estimates and documents quickly upon request.

Automobile insurance

Participated by 22 companies.

The estimated number of automobile insurance:

Over 750,000 a year (FY08)

Life insurance

Participated by 22 companies.

Fire insurance

Motorcycle insurance

Driver insurance

Personal pension

Educational endowment insurance

Overseas travel insurance

Golf insurance

Leisure insurance

Pet Insurance

SBI損保

- A half of new businesses are from InsWeb -

SBI アクサ生命

- New businesses from InsWeb are increasing steadily -

Other nonlife insurance companies

Other life insurance companies

Other financial institutions

Examples of Synergistic Effects Among the SBIH Group (3)

Expansion of Sales Channel at SBI Insurance and SBI AXA Life Insurance

Customer base of the SBIH Group
(Most customers are through internet.)

SBI証券 1.86 million accounts

住信SBIネット銀行 0.41 million accounts
SBI Sumishin Net Bank

The insurance businesses which can make the best use of the SBIH Group resources

SBI損保

Online Channel of the SBIH group

保険の窓
インズウェブ

0.75 million users per year

The biggest insurance estimating website in Japan
新車選びのコンシェルジュ

SBI Card

SBI Mortgage

• Start Sales through SBI Sumishin Net Bank channel from April 2009

Auto one

2.1 million users per year

The biggest new car estimating website in Japan

Synergy

SBI アクサ生命

【Share of contracts through Agency channel】

- **SBI Securities: 12%**
- **SBI Sumishin Net Bank: 10%**

MoneyLook

0.65 million users

□ 座管理ソフト

E-LOAN

ローン比較

MORNINGSTAR

投資情報

SBI マネーワールド

(* Data are collected from January to March 2009)

Efforts to develop "real" channel through the utilization of SBI Auto Support as a sales channel (1)

“Auto Insurance” of SBI Insurance

The number of registered preowned auto companies at SBI Auto Support reached **970 companies***.
* As of April 15



- Runs 3 domestic auction websites
- Registered companies: more than 14,000
- Annual number of cars listed: approx. 700,000



30%



70%



SBI Auto Support

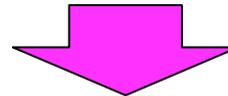
Started the operations on October 14, 2008

Provide customers to get financial services through used car dealers.

【Auto-related financial services】

SBI Insurance

“Auto Insurance”



SBI損保

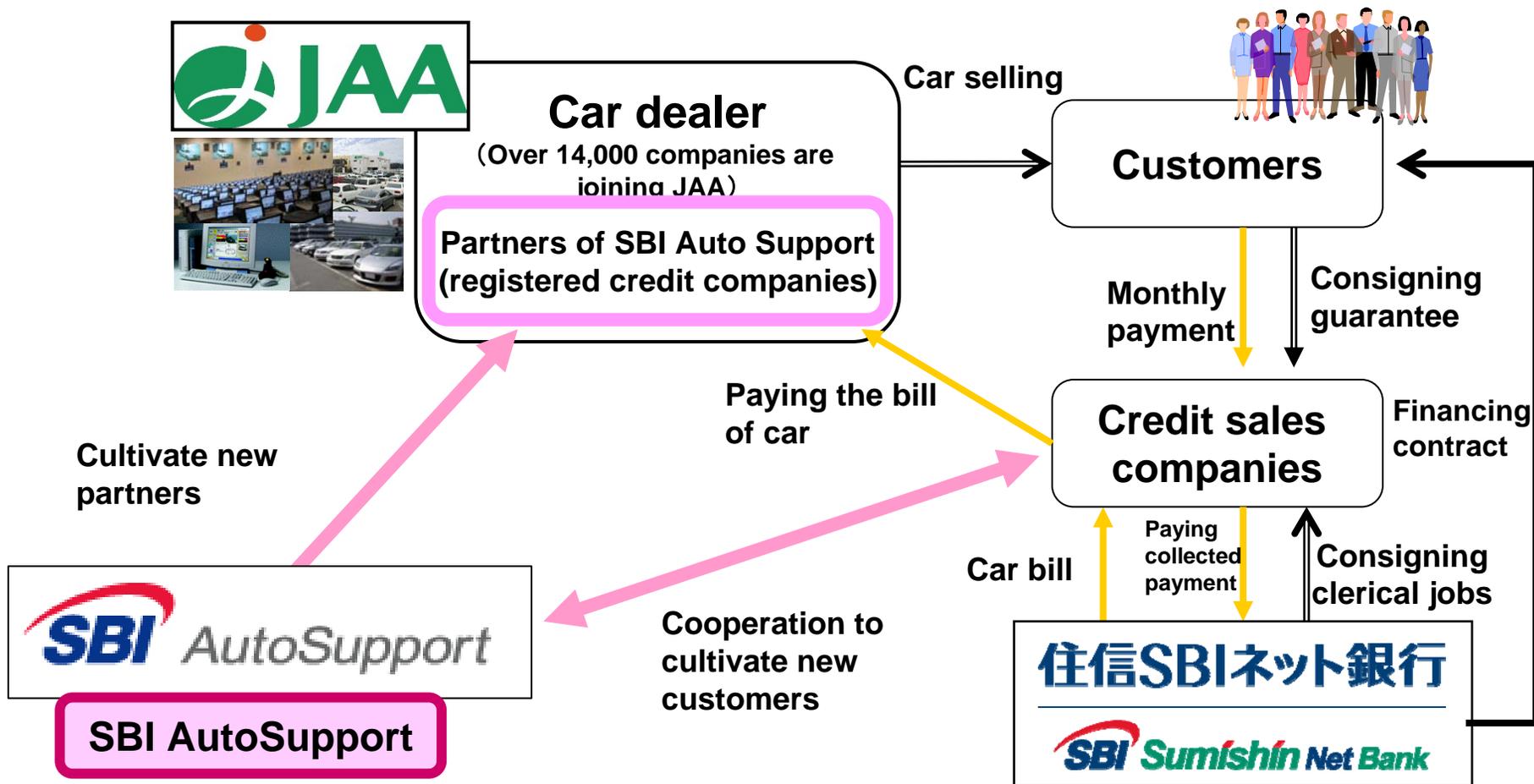
Expect to Double the Insurance Premium Income

Examples of Synergistic Effects Among the SBIH Group (5)

Efforts to develop "real" channel through the utilization of SBI Auto Support as a sales channel (2)

Plan to start selling "Auto Loan"

through SBI Sumishin Net Bank in the first half of 2009



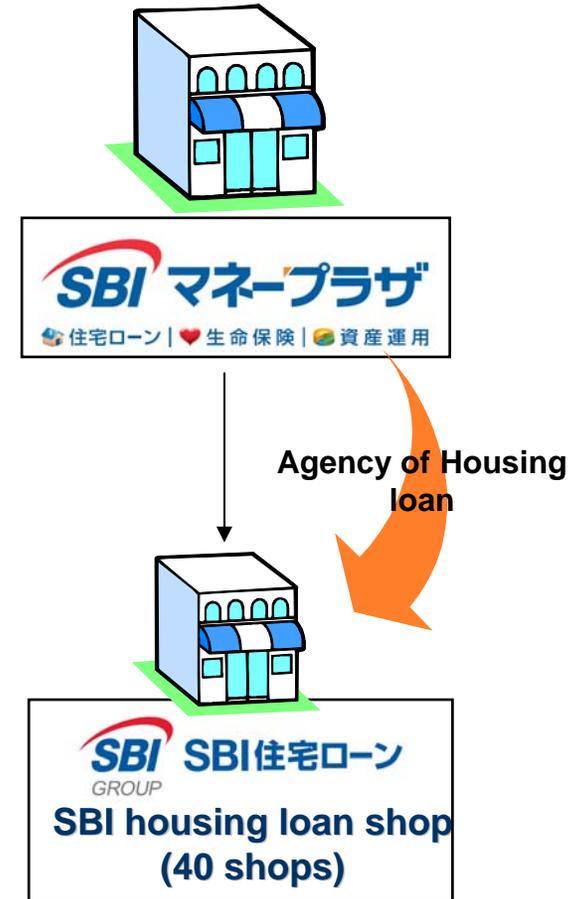
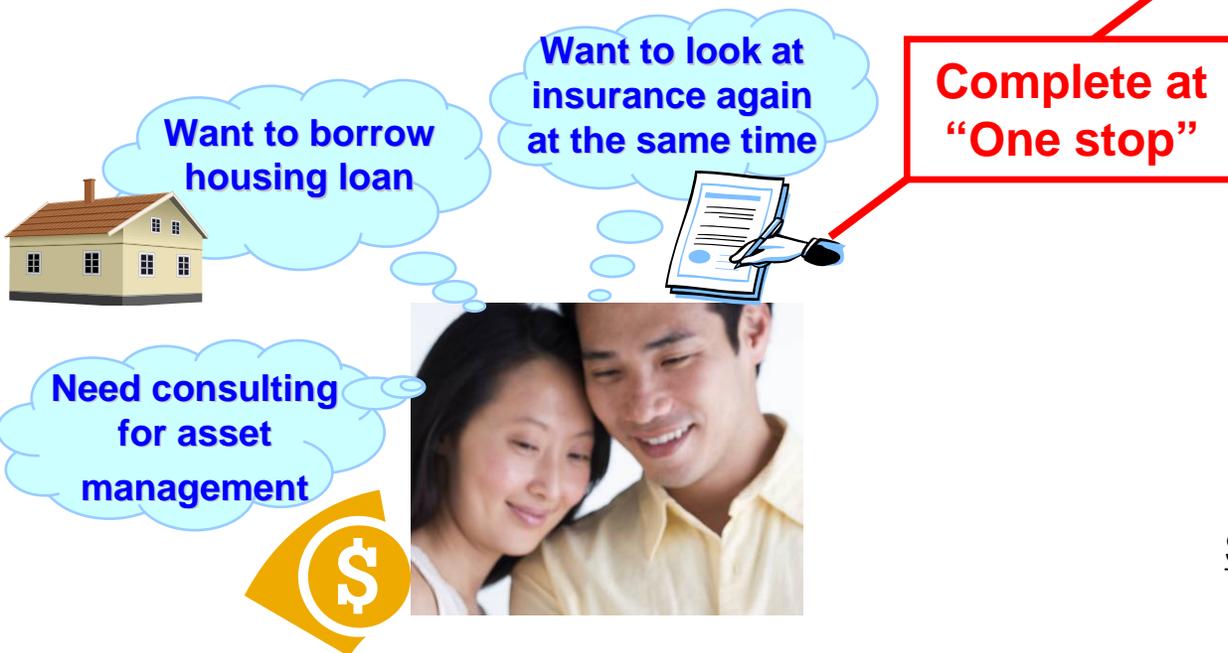
A New Vision of “MONEY PLAZA”

Establish “SBI Money Plaza” mainly through a franchise formula, which handles various financial products both within and outside of the SBIH Group, within the vicinity of SBI Housing Loan shops.

About SBI MONEY PLAZA

- Operated by SBI MONEY PLAZA (established in Feb. 2009)
- Offers “One stop service” in real shops offering variety of financial products, both SBI’s and others.

Considerations are being made to offer non-SBI SECURITIES' products at some of the SBI SECURITIES branches.



Specialized in housing loan
(Operated by SBI Mortgage)

(4) Rapid Development of New Businesses That Are Not as Sensitive to Stock Market Volatility

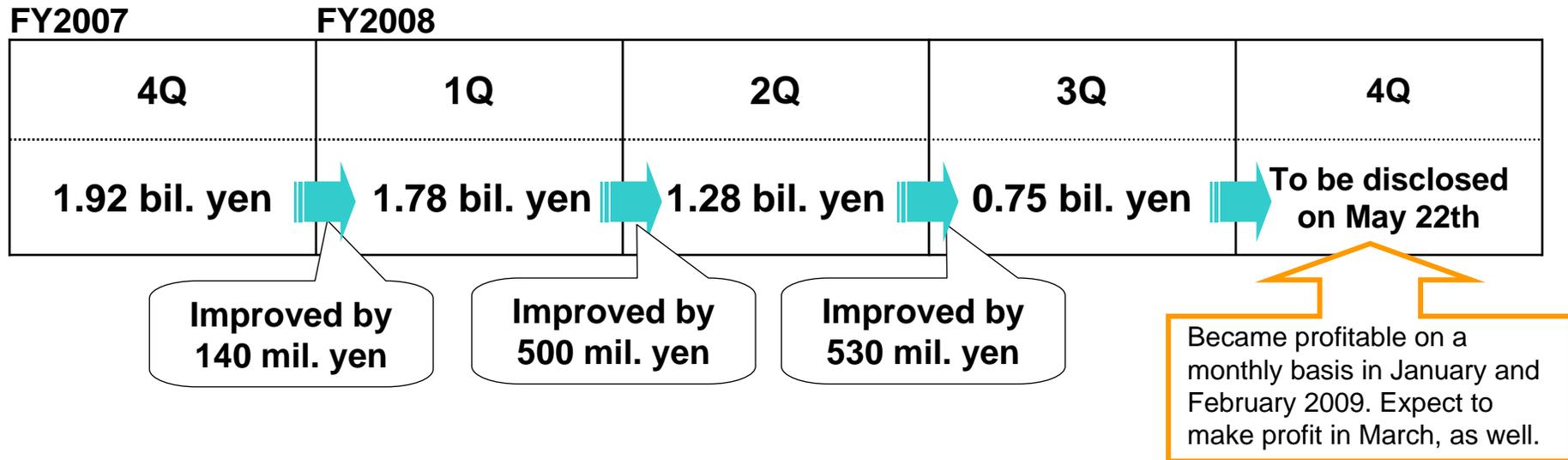
【SBI Sumishin Net Bank】 (Launched in September 2007)

【SBI Insurance】 (Launched in January 2008)

【SBI AXA Life Insurance】 (Launched in April 2008)

- Single-year Profitability in Sight for the Next Fiscal Year -

【Change in Ordinary Loss】



Expect continuous improvement of financial performance toward single-year profit in FY2009

SBI Sumishin Net Bank Deposits Topped 600 Billion Yen After Only 538 Days Since Start of Operations



Offering competitive interest rates, free ATM transactions for individual customers and several sales campaigns, SBI Sumishin Net Bank Deposits topped 600 billion yen after only **538 days** (*2) since its start of operations on Sept. 24.

Days required by major Internet banks to reach 500 billion yen in deposits:

	Start of operations	Time needed to reach 100 billion yen (*1)	Days after start of operations	Time needed to reach 600 billion yen (*1)	Days after start of operations	Deposit outstanding (*2)
eBANK	2001/07/23	2003/10/01 ~ 2004/03/31	801-983 days	2007/8/7	<u>2,207 days</u>	735.0 bil. yen
Japan Net Bank	2000/10/12	2002/10/01 ~ 2003/03/31	720-901 days	—	—	448.4 bil. Yen
Sony Bank	2001/06/11	2002/03/01 ~ 2002/03/31	264-294 days	2005/12/1 ~ 2005/12/31	<u>1,635-1,665 days</u>	1,326.3 bil. Yen
SBI Sumishin Net Bank	2007/09/24	2007/11/19	57 days	2009/3/14	<u>538 days</u>	647.6 bil. Yen

*1 Time needed for deposits to reach target amount based on information announced by each bank.

*2 Deposit outstanding of SBI Sumishin Net Bank are based on the figures as of Apr. 23, 2009, that of eBank and Sony Bank as of the end of Mar. 2009, and that of Japan Net Bank as of the end of Dec. 2008.

Steady Growth in Accumulated Total of Housing Loans Outstanding

~Topped **200 billion yen** after **551 Days** since the start of its business~
(March 27, 2009)

(Japan Net Bank and eBank do not provide housing loans products)

	Sony Bank	SBI Sumishin Net Bank (Note 1)
Start of operation	June 2001	September 2007
Start of housing loans business	March 2002	September 2007
Days required to reach 200 billion yen	1,385~1,475 days (Note 2)	551 days

The fastest among the pure-play Internet banks!

SBI Sumishin Net Bank offers various customer-oriented services, such as competitive interest rates including the preferred rate during the campaign period which is 2.2% lower than the standard rate, free indemnification coverage for eight major illnesses, free partial advanced payment, free rate change, and a service for customers to close the contract without visiting branches.

Steadily Growing Customer Base of SBI Sumishin Net Bank

住信SBIネット銀行

SBI Sumishin Net Bank

As of the end of Mar. 2009

*parenthetic figures based on quick estimation as of Apr. 23, 2009

Accounts: 418,489 (435,548)

Deposits: 629.9 bil. yen (647.6 bil. yen)

Loans issued: 213.0 bil. yen (221.8 bil. yen)

(Mortgage + Internet loan)

<Ratio to reach the target as of Mar. 2009>

Accounts

Target: approx. 400,000 accounts by the end of Mar. 2010

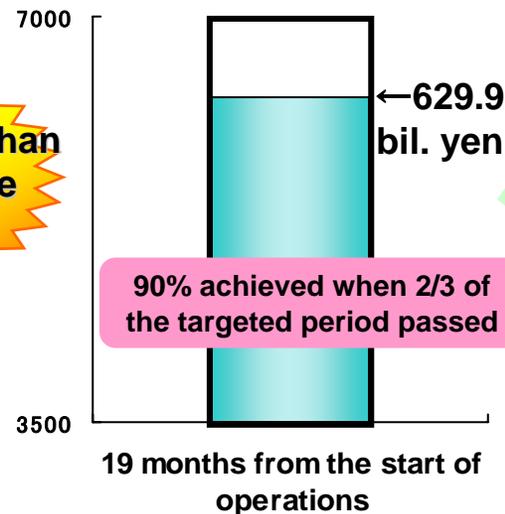
(thousand accounts)



Deposits

Target: approx. 700 bil. yen by the end of Mar. 2010

(100 mil. yen)



Ratio to reach the target as of Apr. 23, 2009

Deposits: 647.6 bil. Yen
Reached approx. 93%

SBI Sumishin Net Bank Won the Award for “Best Internet Only Bank” from “The Asian Banker”

“The Asian Banker Excellence in Retail Financial Services Awards 2009”

【Excerpt from The Asian Banker’s press release】

SBI Sumishin Net Bank wins the award for Best Internet Only Bank, 2008. *snip*

This bank attained \$4.3 billion of deposits only after 11 months of the inception of the business, acquiring more deposits than most of its peers in a similar period. It achieved close to \$80 million in sales in the first nine months of FY2008 and it is well on its way to making profits by the end of March 2010.



Steadily Expanding Customer Base

Comparison of FY08/4Q (Jan.-Mar.) Results of Online Banking Companies

	Increase/Decrease in FY08/4Q (Jan-Mar)		At the end of Mar.'09
	Number of Account	Deposit Balance (million yen)	Deposit per customer (thousand yen) (*2)
SBI Sumishin Net Bank	<u>84,596</u>	<u>77,959</u>	<u>1,505</u>
Sony Bank	22,486	-12,900	1,832
eBANK	146,000 (*1)	-37,600	233
Japan Net Bank (*3)	—	—	—

The above figures have been revised after this presentation meeting.

*1 Increase of approvals for accumulated account opening (excluding cancellation)

*2 Total deposit / Number of accounts

*3 Not disclosed

SBI Insurance Co., Ltd.

**Internal targets
at the start of operations**

(started operations in Jan. 16, 2008)

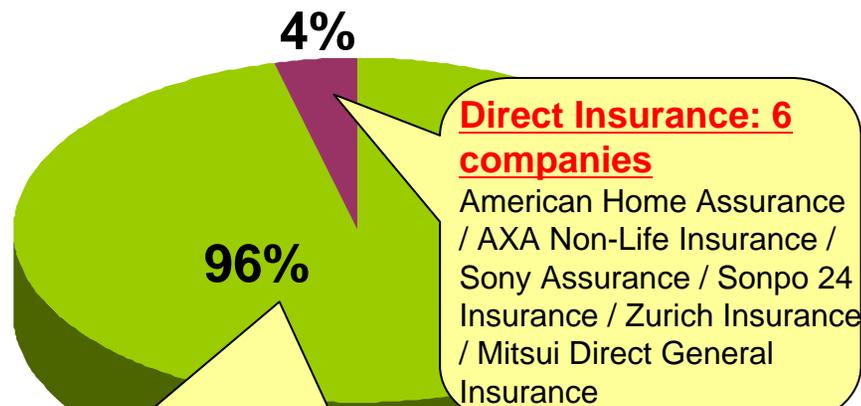
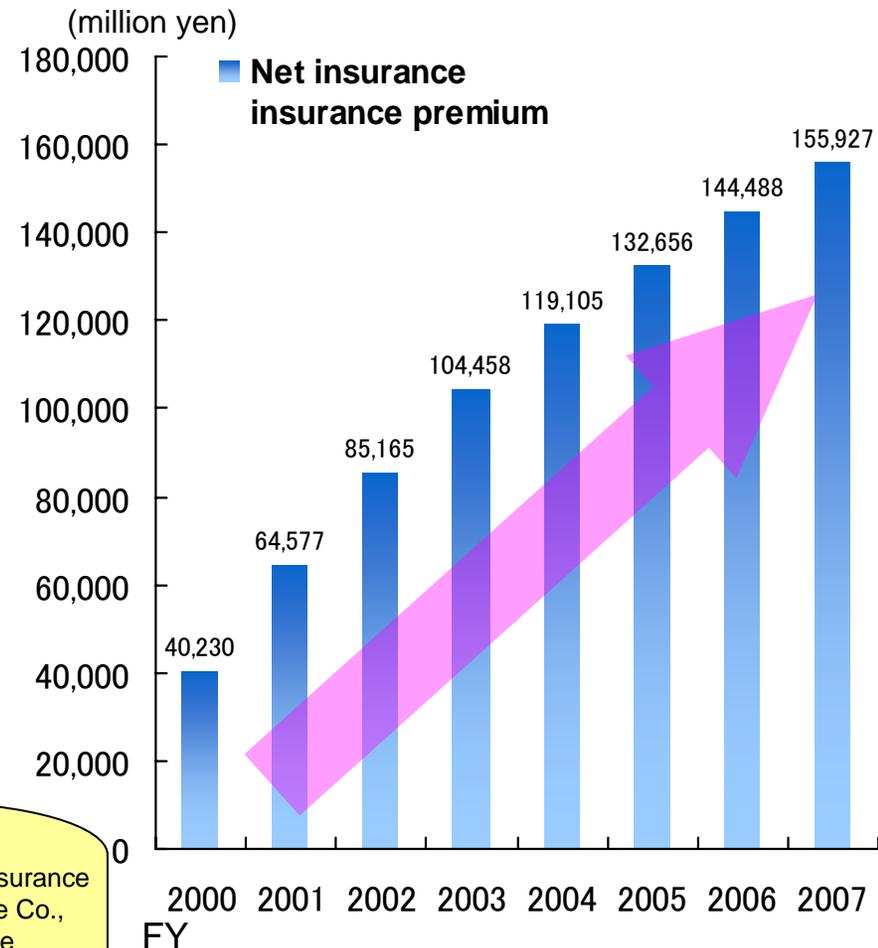
- Targeted No. of contracts 5th term: around 300,000
- Targeted revenues 5th term: Turn a single-year profit
10th term: 25-30 bil. yen of net premium income

Internet Nonlife Insurance's Significant Growth Opportunities in the Auto Insurance Market

Net insurance premium (FY2008) <<Automobile>>

	FY2008 (bil. yen)
Agencies	3,475.2
Direct	155.9
Total	3,631.1

Growing Direct Insurance Companies



Agencies: 17 companies

Aioi Insurance Co.,Ltd. / Asahi Fire & Marine Insurance / Kyoei Fire & Marine Insurance Co.,Ltd. / JI Accident & Fire Insurance Co.,Ltd. / The Sumi-Sei General Insurance Co., Ltd. / SECOM General Insurance Co., Ltd. / SAISON Automobile & Fire Insurance Co.,Ltd. / Sompo Japan Insurance Inc. / Daido Fire & Marine Insurance Co., Ltd. / Tokio Marine & Nichido Fire Insurance Co., Ltd. / Nisshin Fire & Marine Insurance Co.,Ltd. / Nissei Dowa General Insurance Co., Ltd. / NIPPONKOA Insurance Co.,Ltd. / Hitachi Capital Insurance Corporation / The FUJI Fire and Marine Insurance Co., Ltd. / Mitsui Sumitomo Insurance Co., Ltd. / Meiji Yasuda General Insurance Co., Ltd.

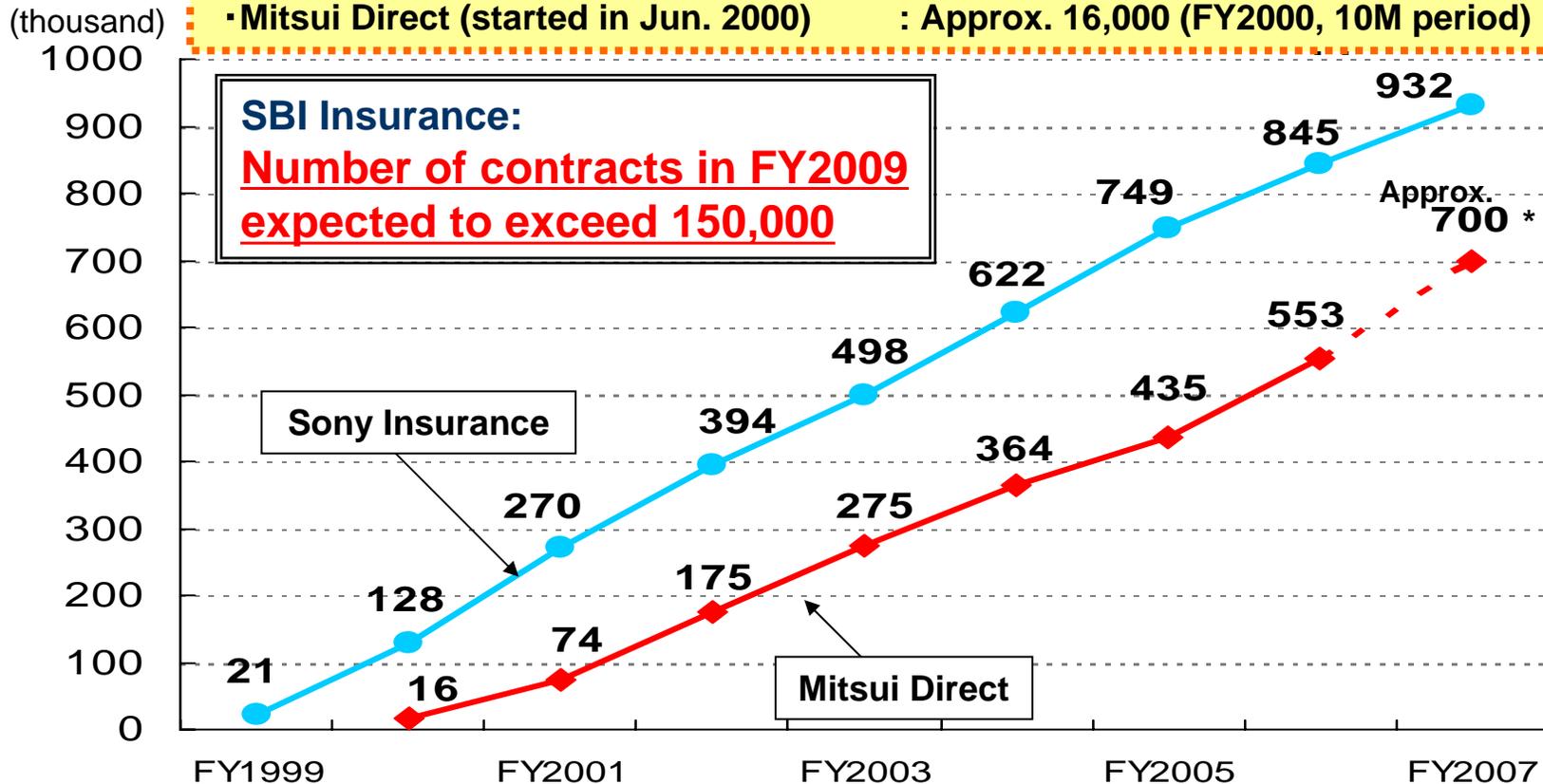
(Source: Compiled by SBIH from information disclosed by each company)

Comparison of Major Direct Non-life Insurance Companies as of the Start of Operation

Growth in the Number of Contracts Since the Start of Operations

[Number of contracts since the start of operation]

- **SBI Insurance** (started on Jan. 16, 2008) : Approx. 25,000 (until Jan. 16, 2009)
 ⇒ On Mar. 27, 2008, lowered the insurance premium level. Due to a substantial price cut, the number of contracts steadily increased afterwards
- **Sony Insurance** (started in Sept. 1999) : Approx. 21,000 (FY1999, 7M period)
- **Mitsui Direct** (started in Jun. 2000) : Approx. 16,000 (FY2000, 10M period)



*Number of contracts of Mitsui Direct as of FY2007 is a figure estimated by SBIH (Source: Compiled by SBIH from information disclosed by each company)

Comparison of Financial Results at the Start of Operations

■ Sony Insurance (started operations in Sept. 1999)

(million yen)	FY1999	FY2000	FY2001
Ordinary Revenues	1,316	7,600	16,488
Insurance Expense	1,709	7,019	12,910
SG&A	5,502	9,297	9,486
Ordinary Income	-3,430	-5,641	-4,097

■ Mitsui Direct (started operations in Jun. 2000)

(million yen)	FY2000	FY2001	FY2002
Ordinary Revenues	892	3,758	8,301
Insurance Expense	997	3,413	6,834
SG&A	3,497	4,352	5,349
Ordinary Income	-763	-908	-1,431

■ SBI Insurance * (started operations in Jan. 2008)

(million yen)	FY2007	FY2008	FY2009(Planned)
Ordinary Revenues	7	1,399	4,886
Insurance Expense	15	1,545	4,370
SG&A	508	1,399	2,017
Ordinary Income	-335	-321	-362

Cost per contract of the 2nd fiscal year since the start of operations (*)
(unit: thousand yen)

Sony Ins.: 72

Mitsui D. : 58

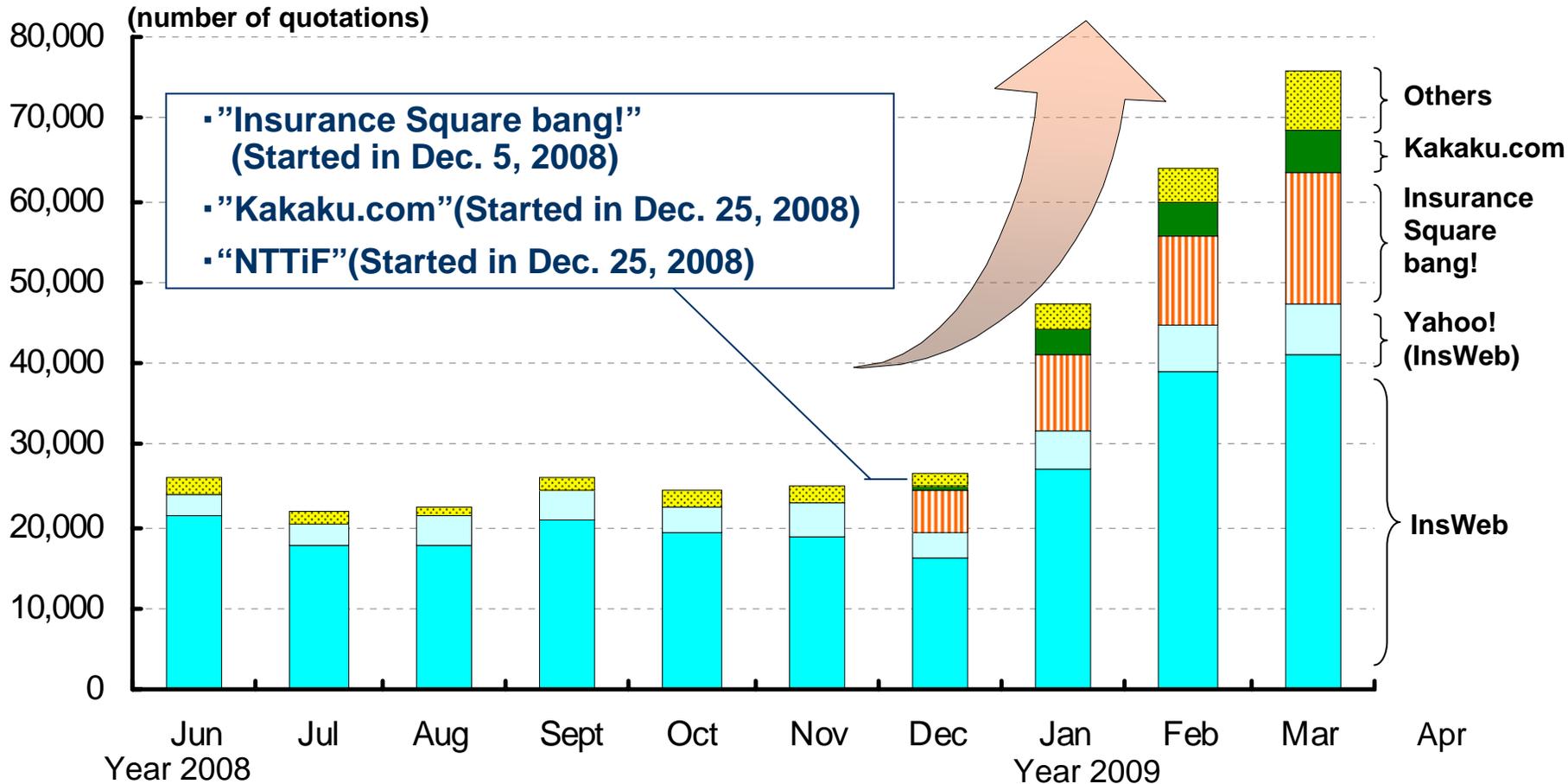
SBI Ins. : 39

(*) Cost per contract = SG&A of the 2nd fiscal year since the start of operations / annual contracts of the 2nd fiscal year since the start of operations.

*Fiscal 2007 is the three-month period following the start of operations. Figures of fiscal 2008 is not adequately-calculated reinsurance, which is not the actual results, so that we can easily compare with the other companies. Plans for fiscal 2009 are goals calculated solely by SBI Insurance. These plans do not include any reinsurance payments. Consequently, actual performance may differ significantly from these goals. Insurance underwriting earnings are an indicator of only the profitability of insurance underwriting activities. (Source: Compiled by SBIH from information disclosed by each company)

Number of Quotations at SBI Insurance

The number of quotations substantially increased due to an expansion of participation on the estimate and comparison website



[Conversion Rate] Figures are indexed (Jun. 2008 =1).

1	1.02	1.09	1.15	1.16	1.25	1.28	1.23	1.23	1.13	1.15
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Note: "Conversion Rate" = Number of Contracts / Number of Quotations.

"The number of quotations" is the number which the customers made quotation (not executed contract).

SBI AXA Life Insurance Co., Ltd.

Internal targets at the start of operations

(started operations in Apr. 7, 2008)

▪ Targeted No. of contracts

1st fiscal year: around 20,000

5th term: around 200,000

=>Actual achievement: Over 5,400

Owing to its genesis as a pure-play Internet insurance model, the company got off to a relatively slow start, but the latter half of the fiscal year saw substantial increases attributable to increased awareness towards the business category, lowered fees and increased channels.

▪ Targeted revenues

5th term: Turn a single-year profit

Internet Life Insurance's Significant Growth in the Stagnating Life Insurance Industry



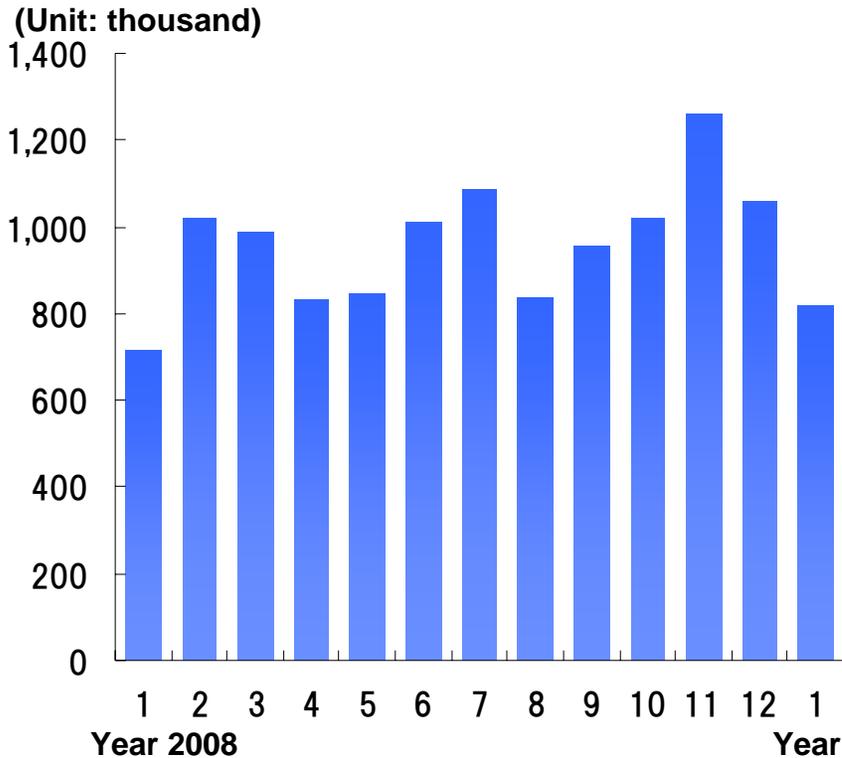
< Comparison of Sales of New Insurance Policies for FY2008 >

Recent Trend of Life Insurance Industry(*1)

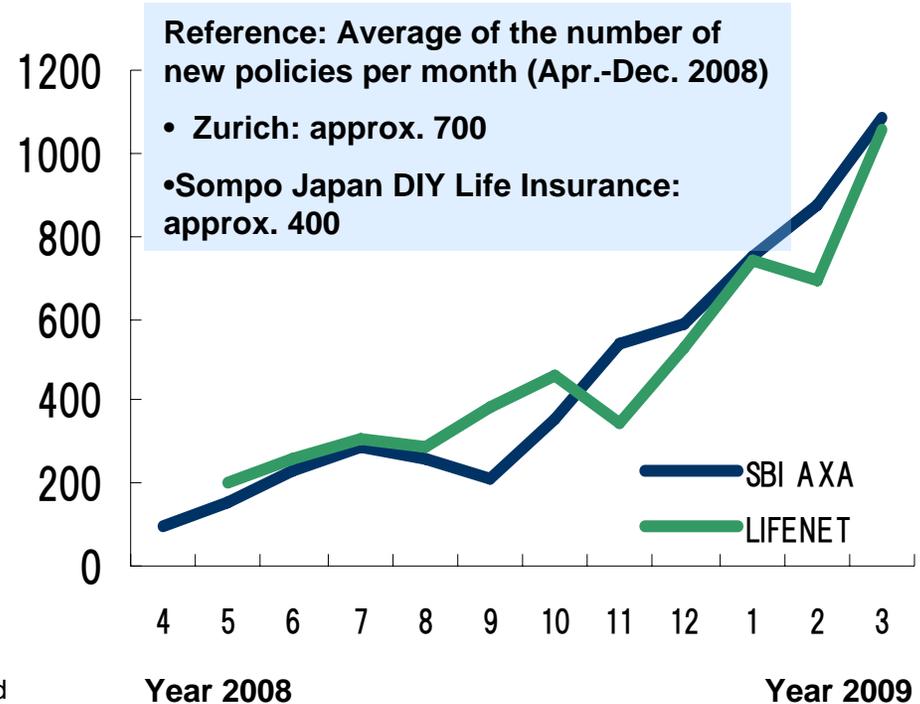
Direct Insurance Companies

Fewer new insurance policies in the industry overall

The two online insurance companies that started in FY08 are experiencing steady growth. The number of new policies per month over the last several months for the new online insurance companies have surpassed the average of that of the two leading direct insurance companies(*2)



(Number of new policies)



(Source: Compiled by SBIH from information disclosed by each company and The Life Insurance Association of Japan)

(*1) Total of 44 life insurance companies excluding Japan Post Insurance and Yamato Life Insurance

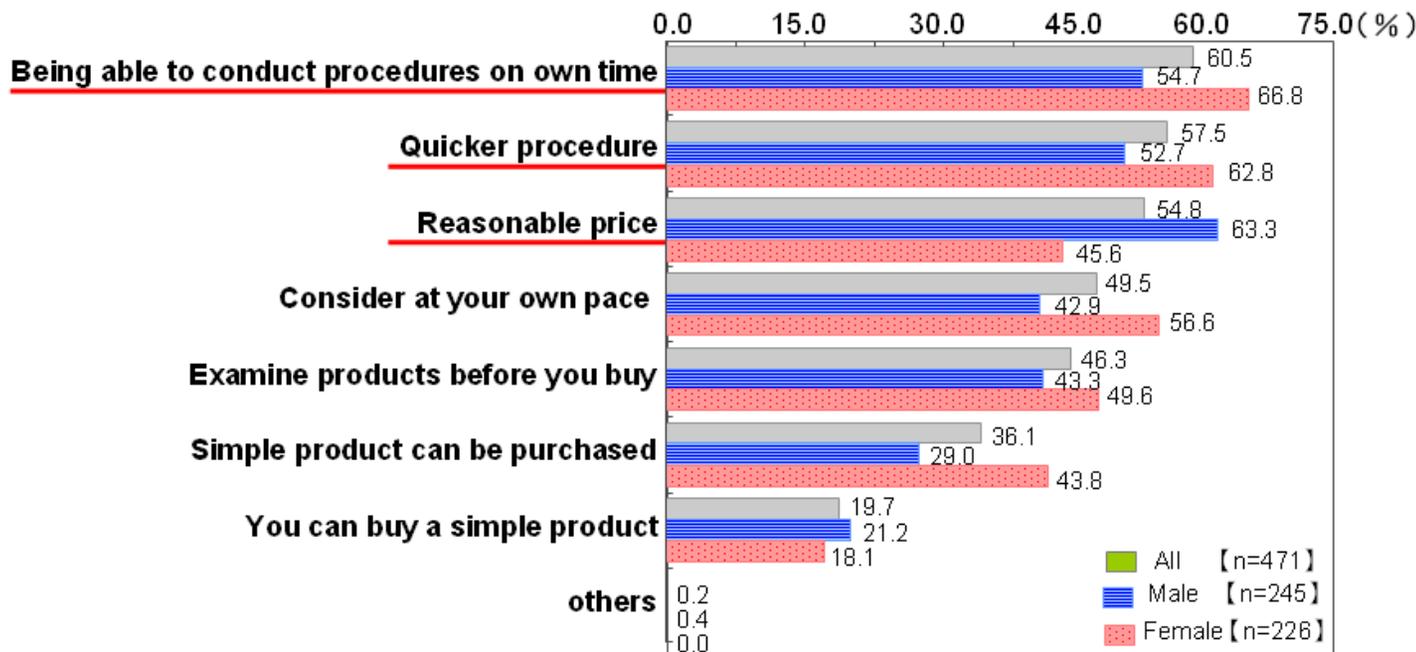
(*2) Direct insurance companies : Zurich, Sompo Japan DIY, SBI AXA, LIFENET 89

With LIFENET Insurance, Conducted the Industry's First "Cooperative Survey of Online Life Insurance"

- ◆ What kind of “change” do you need in life insurance industry?
→ **cheaper insurance premium** (71.3%, the primary)
- ◆ How do you want to purchase insurance policy?
→ **online** (41.9%, the primary)
- ◆ Those who have interest in buying insurance on line → 47.1%
- ◆ Those who feel the shortage of comparison information of life insurance → 68.1%

A Survey: What merit do you think you have if you buy life insurance on line?

(The subjects of the survey: Those who have interest about buying life insurance on line)



* Collaborated by SBI AXA Life Insurance and LIFENET Insurance company for the one year anniversary of the start of the online life insurance company. Surveyed from April 5 to 10, 2009. The subjects consisted of 1,000 males and females between 20-60 years old. (From a joint release)

Expect to Increase the Sales of Policies through Improvements in Service Quality



Since Oct. 2, 2008

SBI AXA's "Kachitto Term Policy" added a discount for high premium policies. => **Discounts of up to 46.6%** compared with previous premiums(*1)

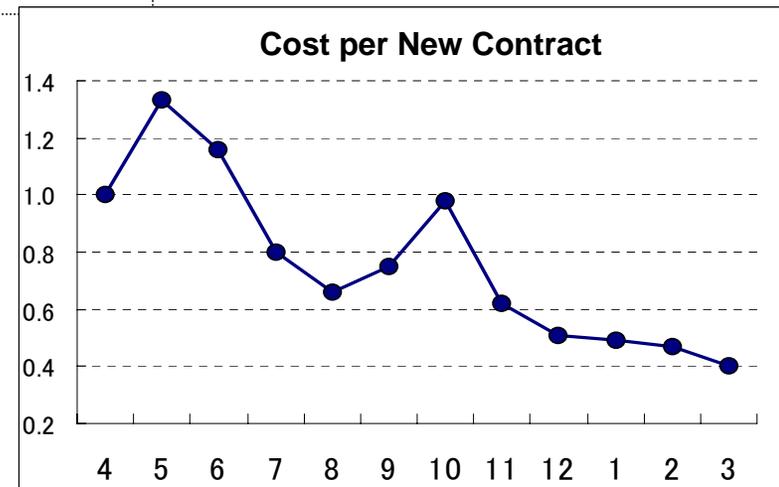
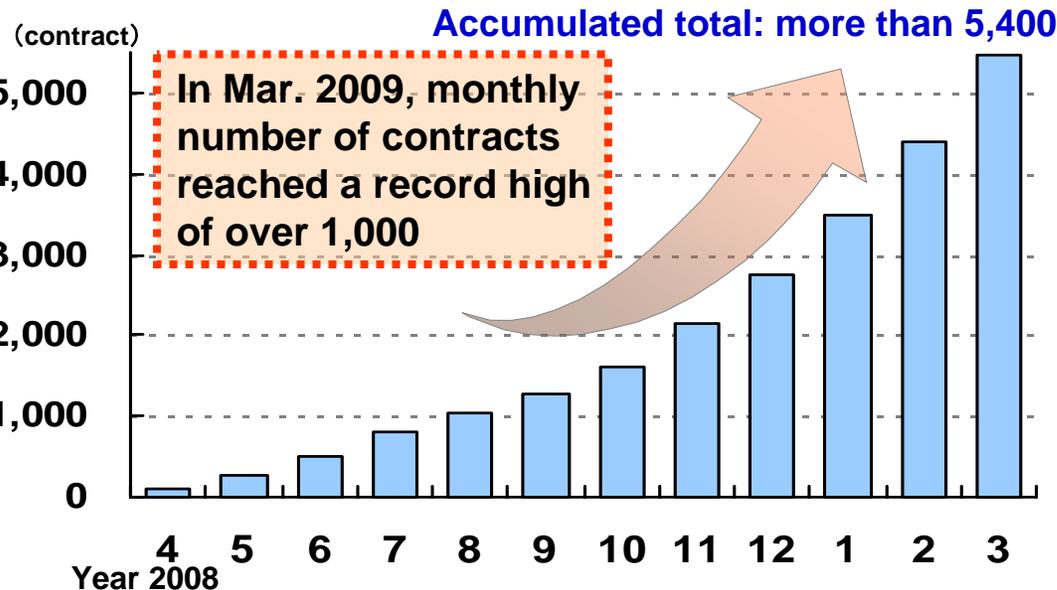
Since Nov. 14, 2008

Started accepting applications for our Account Transfer Service through the Web. **The first of its kind in the insurance industry** (*2), the service simplifies bothersome account transfer formalities.

Since Mar. 13, 2009

- Started to provide **new product, "Kachitto Incom Security"** (income security insurance), which enables customers to receive their pension every month in case anything unforeseen should happen.
- **Expanded sales coverage** of term policy and medical insurance

Sales of New Term Life and Medical Policies /accumulated total



(*1) Discount applies to death benefits of at least 20 million yen, (*2) Based on data compiled by SBIH
Note: preliminary figures for Oct. to Dec.

Increased Sales Channels Due to an Effective Integration of Online and Face-to-face Operations

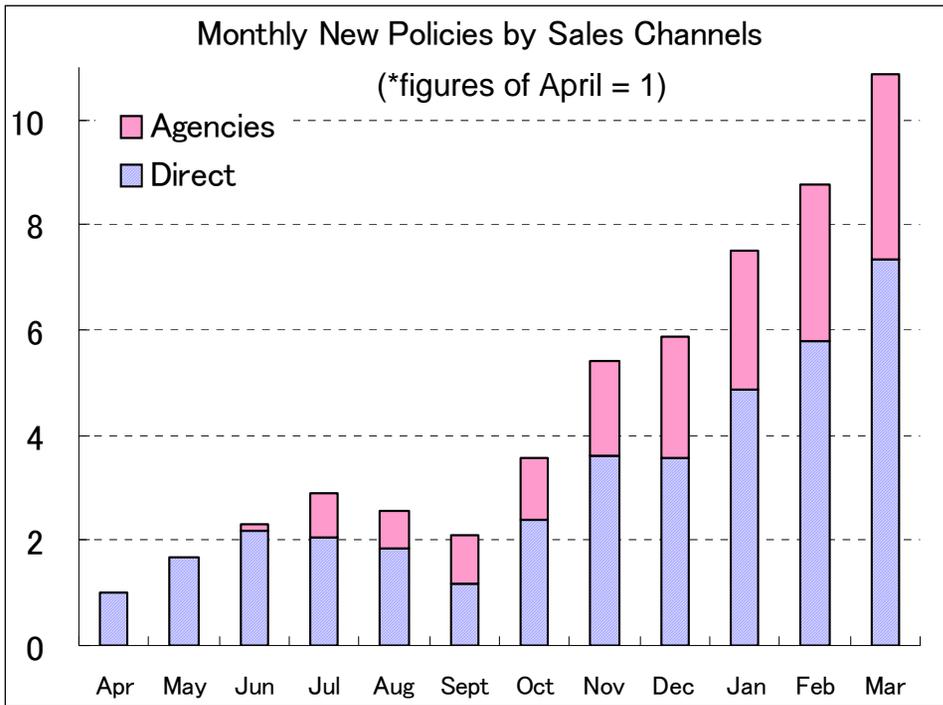
Plan to further increase the sales of policies at agencies, by expanding other sales channels as well as through the Internet

Since Jun. 2008

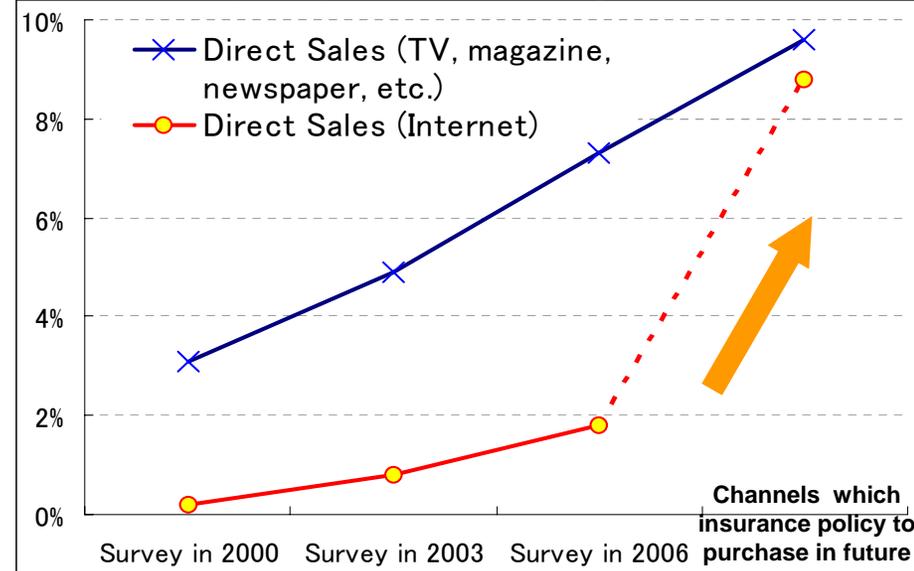
Started using internet-based agents to sell policies in addition to selling policies directly => Agents selling SBI AXA policies: 71 as of Apr. 7, 2009

Since Nov. 2008

SBI Sumishin Net Bank started SBI AXA policies



Shares of policy holders through direct sales



(Note) Survey in 2000: purchased insurance policy from 1995 to 2000, survey in 2003: purchased from 1998 to 2003, survey in 2006: purchased from 2001 to 2006. "Channels which insurance policy to purchase in future" are results from a survey in 2007. (Source from JILI Life Insurance Culture Center)

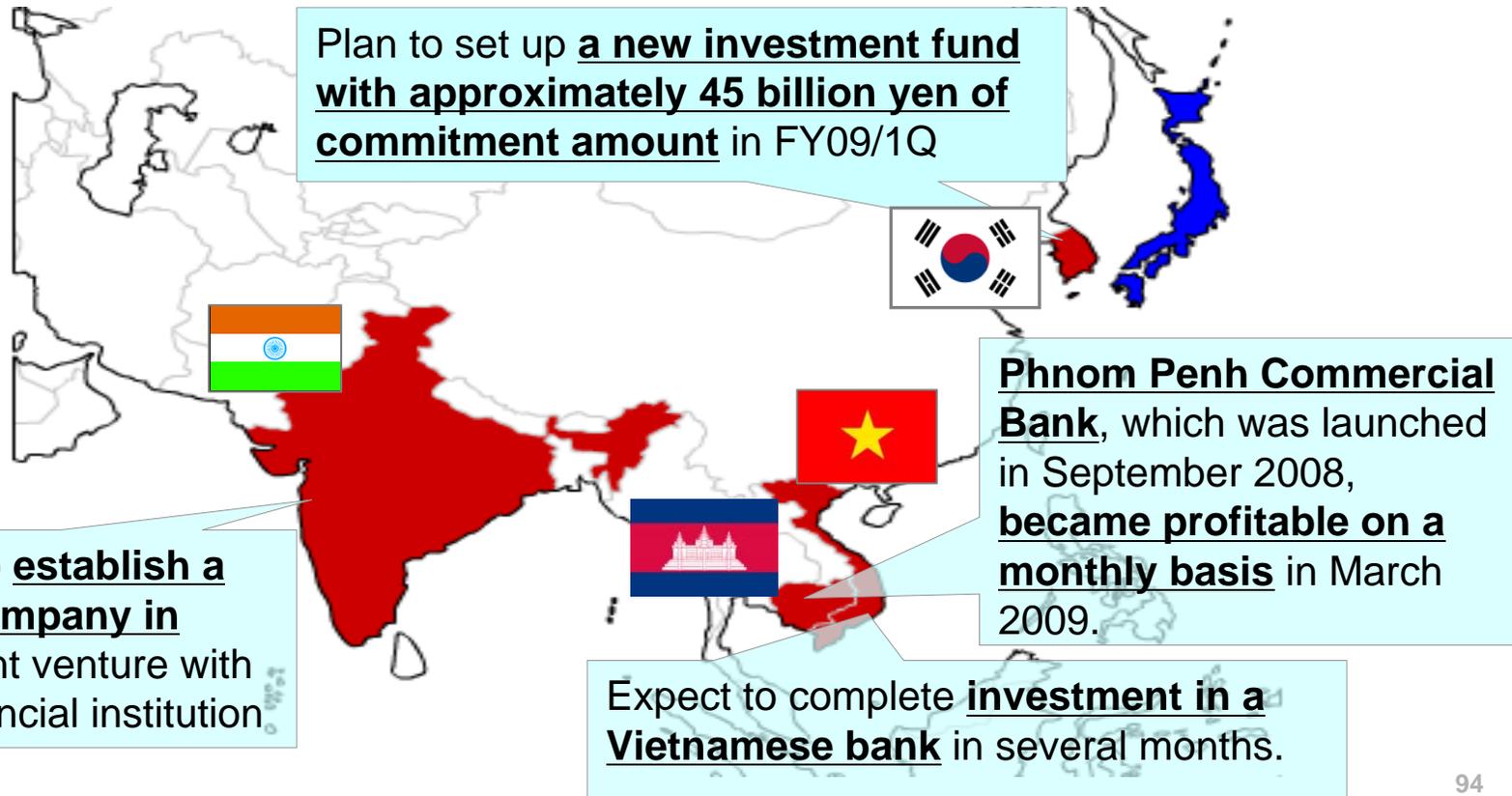
(5) Overseas Businesses Enters a New Stage

Asian Growth Power Accelerates SBIH's Rate of Growth

-Develop financial businesses along with fund management as the core business-

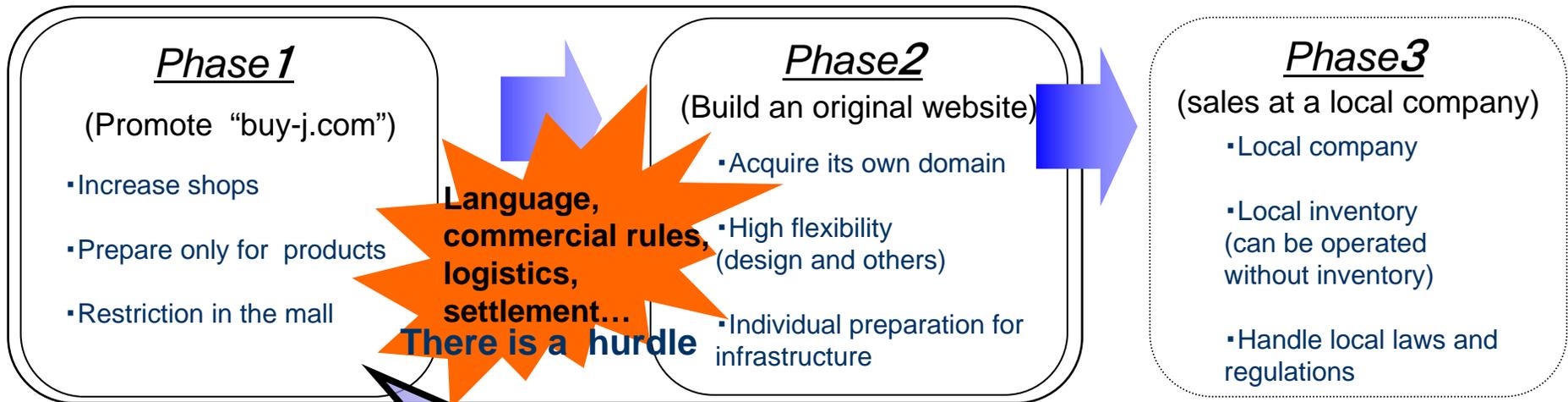
While the world's GDP is expected to show negative growth, SBIH will further expand its businesses in the emerging countries such as China and India, which expect to achieve stable economic growth after FY2009

Absorb potential growth in the emerging countries, and build an “Asian business ecosystems”, which will lead to the Group's continuous growth



SBI VeriTrans Establishes a Consortium That Supports E-commerce Business Owners in Asia

Roadmap and Consortium for Overseas E-Commerce Development “E-Commerce for Asia Alliance” (:ECAA)



【ECAA】 (E-Commerce for Asia Alliance)

- Jointly established with 16 prominent firms that provide EC infrastructure (incl. SBI VeriTrans)
 - Participating firms offer each other’s operation services for customer companies that cannot provide such services.
 - Support overseas EC development such as providing package plans that fit each customer companies’ need
- Major participating firms: ANA, JAPAN POST SERVICE (transportation), ADWAYS (Online advertisement), System Integrator (website designing), etc.

(Stock Information)

Dividend Distribution Results of the SBIH Group's Listed Companies



(per stock)

	FY2008 Actual (plan)			FY2007 Actual
	Interim	Year End	Annual	Annual
SBI Holdings	-	100	100	1,200
Morningstar	-	550	550	550
SBI VeriTrans	-	600	600	500

*Only shows the Group companies that distribute dividends

SBI VeriTrans: Retirement and Acquisition of Treasury Stock

(Announced on Apr. 23th, 2009)

Retirement of treasury stock

- Type of stock to be retired: SBI VeriTrans common stock
- Number of stock to be retired: 10,607 stocks
(percentage of total shares outstanding before retirement: 5.88%)
- Retirement date: May 11, 2009

SBIH's shareholdings ratio after the retirement 38.7% → 41.1%

(End of March '09)

Acquisition of treasury stock

Reason for Acquisition: Necessity of executing flexible and immediate capital strategies that correspond to change in operational environment

- Type of stock to be acquired: SBI VeriTrans common stock
- Number of stock to be acquired: 7,500 stocks (percentage of total shares outstanding: 4.16%)
- Total amount of stock to be acquired: 500,000,000 yen (limit)
- Schedule for acquisition of treasury stock: Between May 11, 2009 and August 10, 2009

Amendment of SBIH's Dividend Policy

(Until the fiscal year ending March 2009)

SBI Holdings endeavor to provide a stable and appropriate return of profits to shareholders. In addition, SBI Holdings actively invests in operations based on internal reserves to strengthen both competitive edge and earning power. It is the basic policy of SBI Holdings to distribute dividends after taking into account its consolidated performance, which includes each Group company.



(From now on)

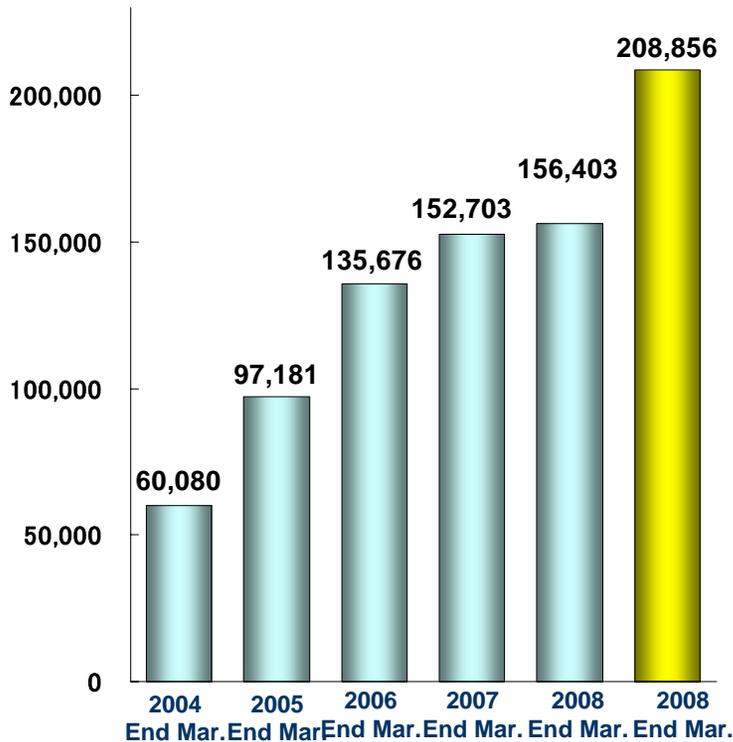
SBIH will implement a dividend policy undertaking a payout of approximately 20% to 50% of its consolidated net income. At minimum, SBIH will undertake a dividend distribution with a payout of more than 20%. However, SBIH will always seek to increase the dividend payout to a maximum of about 50%, provided that SBIH determines that further profit distribution is possible and after overall consideration of the appropriate level of retained earnings for sustainable growth, and other factors such as its immediate earnings forecast. In principle, SBIH's dividend payment frequency shall be unified to once per year-end, and interim dividends shall no longer be paid.

SBI Holdings Shareholder Composition



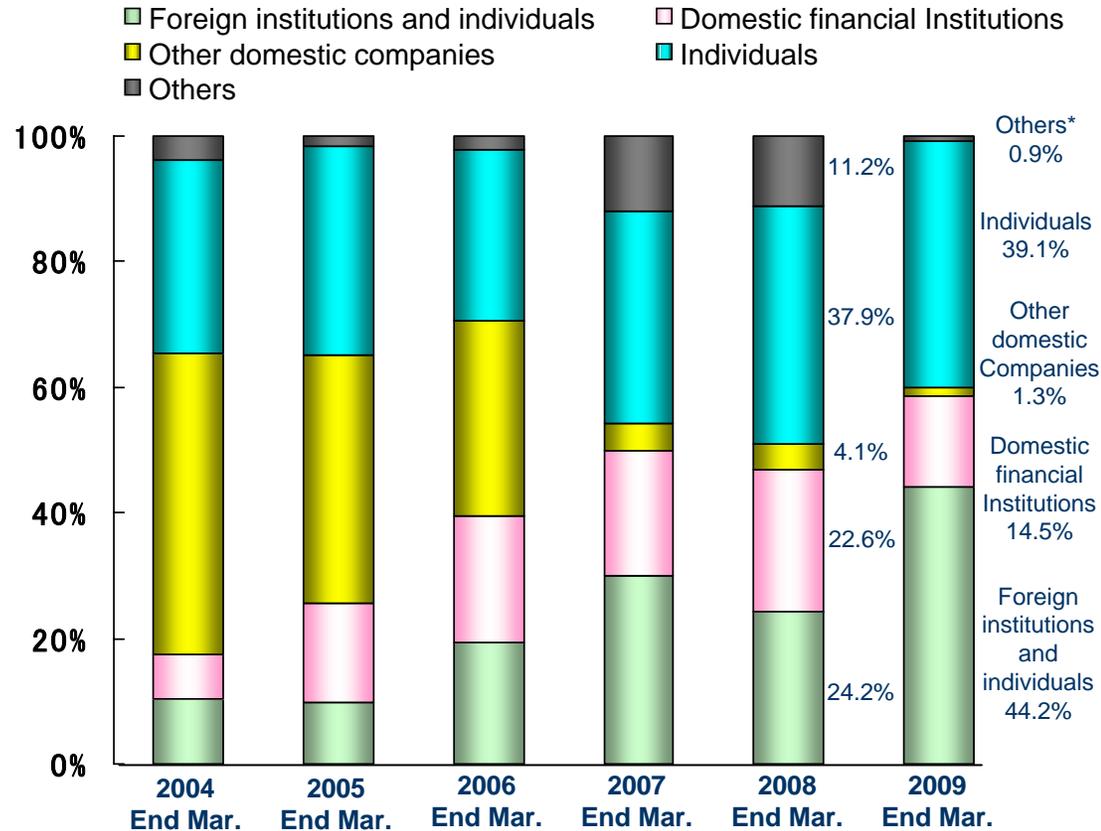
Foreign investors' shareholding ratio sharply increased from the end of March 2008

Number of Shareholders



(including holders of less than one trading unit)

Shareholder Composition



*Others includes treasury stock (0.2%)

Sizable Increase in Foreign Investors' Shareholding Ratio at SBI Holdings

Ranking of Increase in Foreign Investor's Shareholding Ratio (Increase from the end of Mar.'08 to the end of Sept'08)

Rank	Company name	Increase in half a year (% point)	Foreign shareholding ratio as of End Sept.'08 (%)
1	SBI Holdings	18.4	42.5
2	Toys"R"Us-Japan	14.7	(*July) 63.1
3	HOKUTO	12.2	24.2
4	Nippon Denko	11.0	(*June) 22.3
5	GS YUASA	10.8	14.6
6	Ferrotec	10.3	27.4
7	AOZORA BANK	10.1	68.9
8	ZAPPALLAS	9.7	(*April) 27.3
9	WORKS APPLICATIONS	9.3	29.0
10	HANWA	8.2	27.0

**Foreign Investors'
Shareholding Ratio
at SBI Holdings**

**End of
Mar.'08**
24.2%



**End of
Sept.'08**
42.5%



**End of
Mar.'09**
44.2%

*Excerpt from Nikkei Veritas, Feb. 1st, 2009

(Compiled from Nikkei Kaisha Joho Spring version. The data only covered companies with more than 10 bil. yen of market capitalization as of Jan. 26th. Shareholding ratio of companies whose fiscal year is Mar. or Sept. is based on figures as of the end of Sept. Others shown in brackets. Some of the company names are abbreviated.)

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