



*Strategic
Business
Innovator*

SBI Holdings, Inc.

First Quarter Financial Results

(Fiscal Year Ending March 31, 2010)

July 29, 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

1Q FY2009 Consolidated Performance

(Unit: million yen)

	1Q FY2008	1Q FY2009	YoY Change (%)
Operating Revenues	34,603	35,031	+1.2
Operating Income	3,908	3,180	-18.6
Ordinary Income	3,296	2,501	-24.1
Income Before Income Taxes	-7,327	3,016	—
Net Income	-5,908	1,899	—

SBI Holdings Quarterly Results (Consolidated)

(Unit: million yen)

Holdings

	FY2008				FY2009
	1Q (Apr.-Jun. 2008)	2Q (Jul.-Sep. 2008)	3Q (Oct.-Dec. 2008)	4Q (Jan.-Mar. 2009)	1Q (Apr.-Jun. 2009)
Operating Revenues	34,603	37,143	29,424	29,750	35,031
Operating Income	3,908	^{*3} 2,421	^{*3、5} -1,182	^{*3} -743	^{*3} 3,180
Ordinary Income	^{*1} 3,296	^{*1} 1,476	^{*1} -3,042	^{*1} -1,693	2,501
Income Before Income Taxes	^{*2} -7,327	^{*4} 8,602	^{*6} -11,359	^{*7} -6,047	3,016
Net Income	-5,908	4,385	-10,324	-6,527	1,899

*1 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.) and net financial charges of 1.0 bil. yen (difference between interest/dividend received and interest expense) through FY2008.

*2 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

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

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

*5 Recorded valuation loss on portfolio securities of 1.4 bil. yen for VSN, of which SBI Capital invests through its SBI Value Up Fund No. 1

*6 Recorded 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

*7 Recorded an additional valuation loss on investment securities of 1.2 bil. yen for Sumitomo Trust & Banking shares and loss from investment through equity method of 1.3 bil. yen for Broadmedia (extraordinary losses)

Highlights of Consolidated Financial Performance

I Results of a V-shaped Recovery with 3Q FY2008 as the Bottom

1Q FY2009 revenues were up 17.8% as compared to 4Q FY2008, the most recent quarter. Operating income went from -0.7 bil. yen to 3.2 bil. yen (+3.9 bil. yen) and net income from -6.5 bil. yen to 1.9 bil. yen (+8.4 bil. yen), thus bringing the worst period to an end.

Even when compared with the same quarter of the previous fiscal year period, net income jumped from -5.9 bil. yen to 1.9 bil. yen (+7.8 bil. yen), a significant improvement. Operating income fell year-on-year due to the inclusion of E*Trade Korea results (approx. 0.6 bil. yen operating income), which was sold subsequent in 1Q of the previous period, as well as for the amortization of goodwill (approx. 1.0 bil. yen), corresponding to SBI SECURITIES becoming a wholly owned subsidiary in the 1Q of the current fiscal year period.






II The Asset Management Business & Brokerage and Investment Banking Business Drove the Recovery

Operating income by segment as compared to 4Q FY2008 was up 330% to 1.9 bil. yen in the Asset Management Business, and up 370% to 3.1 bil. yen in the Brokerage & Investment Banking Business, a very significant improvement. The Asset Management Business benefited from a recovery in the Asian stock markets ahead of those in Japan, the US and Europe. The Brokerage & Investment Banking Business is working to improve FX trading and increase proceeds from stock trades in Japan.

III Cash deposits (consolidated) as of June 30, 2009 remained at a high level of 131.8 bil. yen, demonstrating continued financial soundness.

Quarterly Operating Income by Segments

~Troughed in 3Q and improved significantly~ (Unit: million yen)

	FY2008				FY2009
	1Q (Apr.-Jun. 2008)	2Q (Jul.-Sept. 2008)	3Q (Oct.-Dec. 2008)	4Q (Jan.-Mar. 2009)	1Q (Apr.-Jun. 2009)
Asset Management	331	2,193	*1 -517	586	 1,940
Brokerage and Investment Banking	3,389	*2 1,265	*2 233	*2 826	*2  3,055
Financial Services	372	382	358	377	 158
Housing and Real Estate	850	498	103	*3 -529	 -119
System Solution	-104	-137	98	-160	 -196

*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, subsequent quarters: 1,048mil. yen)

*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

Variance Analysis on Operating Profit from 4Q FY08 to 1Q FY09

Asset Management Business

- Capital gain from the sale of shares held by funds and dividend from shares held by funds (+8.9 bil. yen)
- Capital gain from the sale of shares held by Fullerton Fund (+600 mil. yen)

Brokerage & Investment Banking Business

- Increase in brokerage commissions due to increase in trading volume and revision of commissions in Mar. 2009
- Increase in from forex trading revenue at SBI Liquidity Market where trading volume increased

Financial Services Business

- Decrease in profit at SBI Equal Credit due to the suspension of loan services, with efforts focused on guaranteeing the online consumer loans of SBI Sumishin Net Bank in Apr. '09 (-100 mil. yen)
- At the Marketplace business, although transactions increased YoY, profits declined from the previous quarter (Jan.-Mar. '09) owing to its temporary increase of the seasonal reason (-60 mil. yen)

Housing and Real Estate Business

- Decrease in profit due to the shrinking domestic real estate market
- Delay in recording profit of 154 mil. yen from securitization at SBI Mortgage
(Full year performance is on target for the operating income estimate of 1,470 mil. yen)

System Solutions Business

- Recorded advanced development cost for a business order which was received by a subsidiary of SBI Net Systems (expect to record as revenue after 1Q FY 2009)

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. SG&A decreased 369 mil. yen from 4Q FY08

(mil. yen)

SG&A TOTAL

FY2008

2Q Total:
16,489

3Q Total:
15,283

4Q Total:
15,684

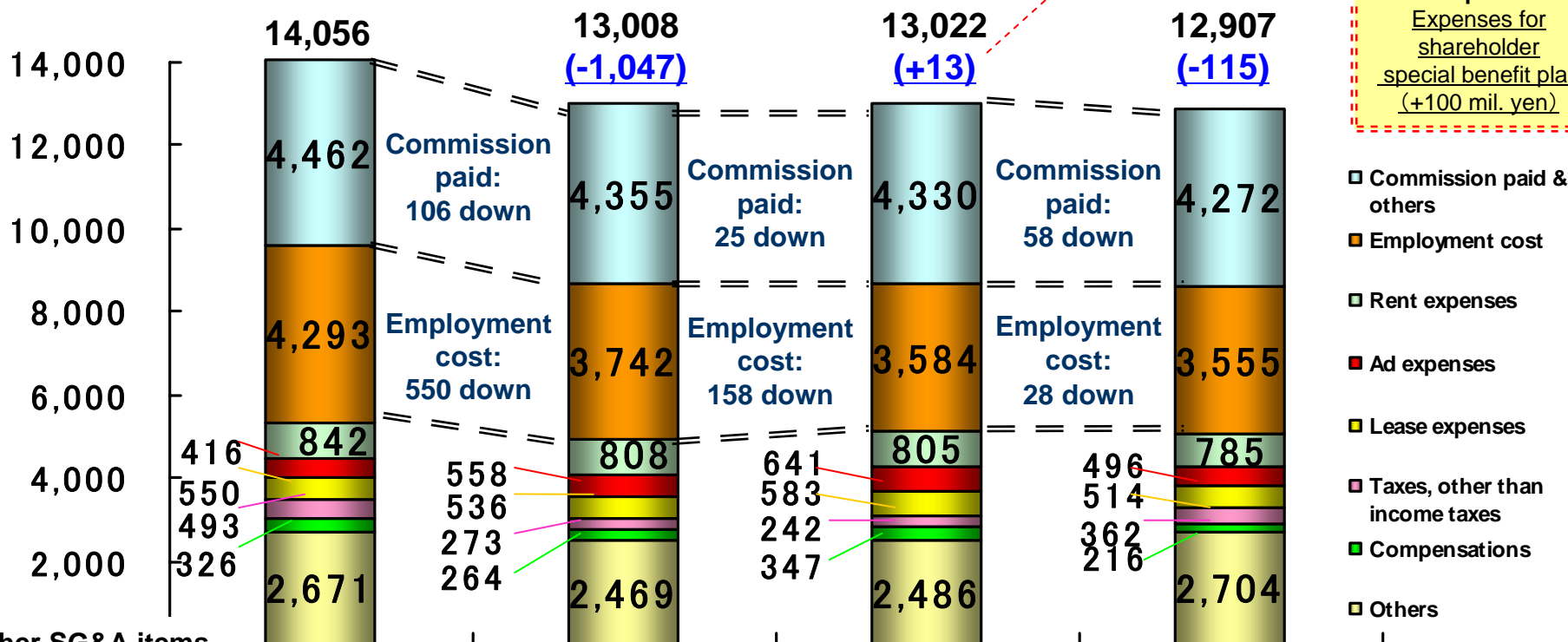
FY2009

1Q Total:
15,314

Factor for 130 mil. yen increase in 4Q

Compensation:
Expenses for MTN
(+60 mil. yen)
Ad expenses:
Expenses for shareholder special benefit plan
(+100 mil. yen)

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

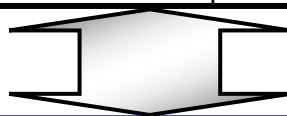


Note: Figures in parentheses are QoQ change

Bonds to be Redeemed

Bonds to be redeemed

	Amount (bil. yen)	Redemption Day
SBI Holdings Unsecured Straight Bond	30.00	Sept. 25, 2009
The first “SBI Bond” (Euro MTN)	4.50	Oct. 22, 2009
The third “SBI Bond” (Euro MTN)	5.50	Oct. 23, 2009



Cash and deposits as of the end of June '09 (on the consolidated basis):
131.8 bil. yen

The Euro MTN, which was set-up in Mar. 2009, has already been issued five times, raising 29.0 bil. yen. Non-issuance limit is 21.0 bil. yen.

(*) Issuance of individual bonds with limitation of 50 billion yen is available as needed.
Non-issuance limit which will increase with the redemption at maturity is also available for future capital needs.

2. Summary of Major Business Segments

(1) Asset Management Business

Fiscal 2009 First Quarter

(Three months ended June 2009)

Operating Revenues: 9.8 billion yen (+234% YoY)

Operating Income: 1.9 billion yen (+486% YoY)

Major consolidated subsidiaries and affiliated companies

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

Notes:

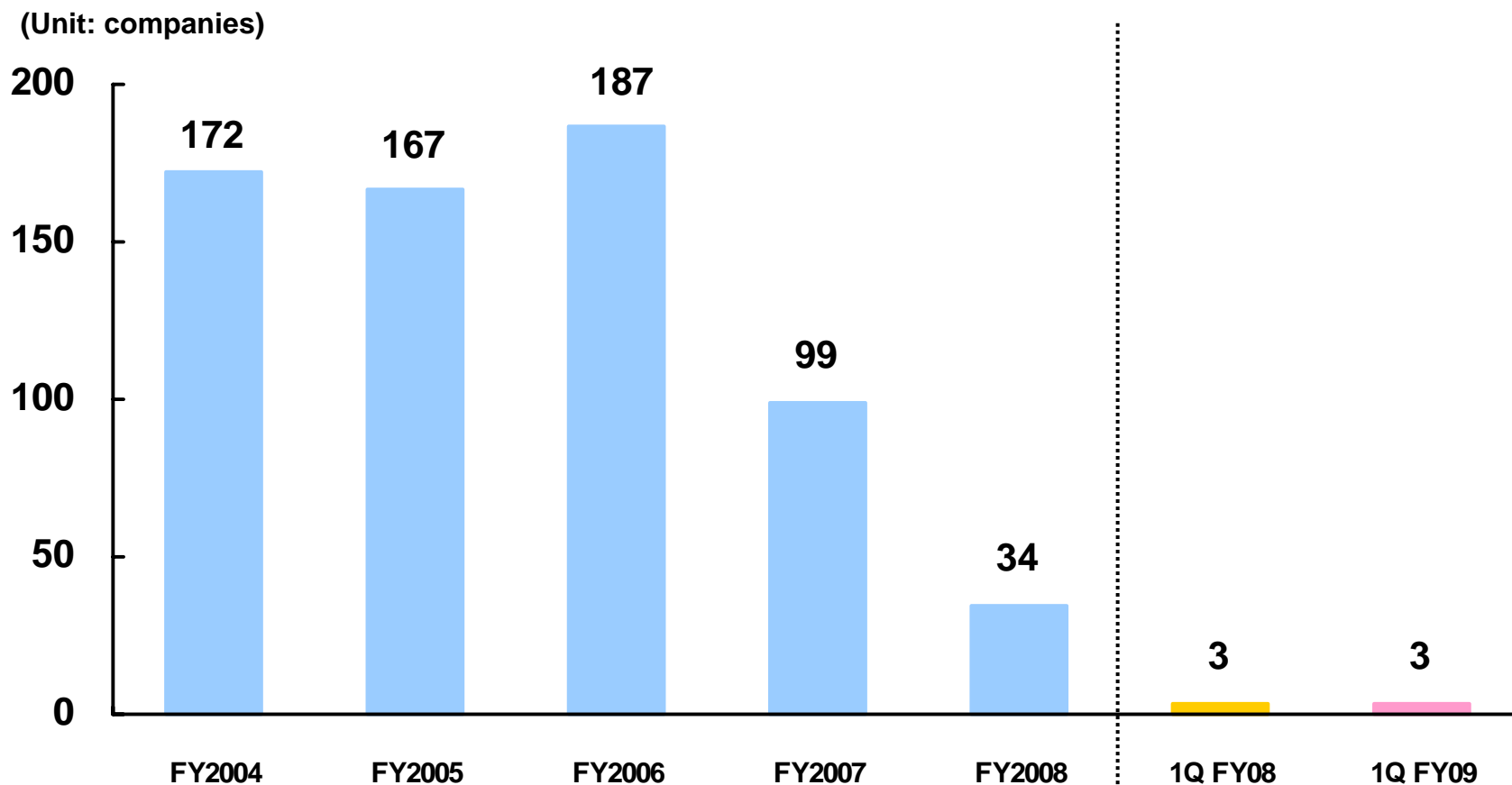
1. The above figures were calculated using the new accounting standard (with fund consolidation) for each segment.
2. The above figures do not include eliminations for consolidation and the deduction of corporate expenses.
3. Rounded to the nearest 100 million yen.

Highlights of Asset Management Business

- I The business environment continues to be difficult, with the number of IPOs decreasing to the point where our competitor, JAFCO, recorded an operating loss of 0.7 bil. yen. However, with a 0.4 bil. yen capital gain from the sale of stock by the SBI Value Up Fund No. 1 (IRR 48.03%), a 1.1 bil. yen contribution to operating income from the New Horizon Fund, which is currently realizing gains on previous investments, and the sale of the dynamic Fullerton Fund, a positive operating income of 1.9 bil. yen (up 486% YoY) was recorded in the Asset Management Business for 1Q FY 2009.
- II The New Horizon Fund still possesses substantive unrealized gains even in a period of low Chinese stock prices. During 1Q FY2009, one M&A was effected, and in the second Fund, one company exited through an M&A. Also, one IPO has already been positioned for end of July. With the Chinese stock market quickly rebounding, we expect an approximate 3.6 bil. yen operating income contribution from the New Horizon Fund for the current fiscal year period from 2Q FY2009 onward.
- III New investments for 1Q (Apr-June 2009) was 16.7 bil. yen, whereas competitor JAFCO was at 1.4 bil. yen. We will continue to invest in promising companies. Also, our SBI Broadband Fund No. 1, which is now realizing gains on previous investment, is benefiting from favorable stock price trends of the recent domestic IPO issues.
- IV Final agreement concluded with PNB Equity, a wholly owned subsidiary of Permodalan Nasional Berhad (a Malaysian Governmental investment management company), for the establishment of an investment fund. Preparations for overseas investments are almost complete, therefore, we are waiting for the right timing to move forward.

Number of IPOs in Japan on a FY Basis

During FY2008, only 34 companies completed IPOs, which was much fewer than in FY2007. In 1Q FY 2008, only 3 companies completed IPOs, which was the same as in the previous year's 1Q.



Performance Comparison with the Major VC Companies

1Q FY09 performance comparison of SBIH Asset Management business and JAFCO

(Unit: billion yen, %)

	Operating Revenues	YoY Change	Operating Income	YoY Change
SBIH Group's Asset Management Business	9.8	+234.4	1.9	+486.1
JAFCO(*without consolidating funds)	3.5	-55.1	-0.7	- *2

<Reference: FY08 performance (full year)>

	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	- *3

*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 1Q FY08 posted 3.0 billion yen

*3 Operating Income of FY07 posted 4.2 billion yen

*4 Amounts are rounded to nearest 100 million yen

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

FY2009 1Q New Investments

Capitalizing on financial environment through continued substantive investments

Unit: million yen
(Number of Invested companies)

	New Investment Amount		
	1Q FY2009	1Q FY2008	(Reference) FY2007 (full year)
[Funds' Investment]	15,553 (48 companies)	19,515 (32 companies)	82,013 (105 companies)
Breakdown: Stocks	6,384 (30 companies)	6,051 (12 companies)	26,277 (57 companies)
Others (incl. bonds)	9,168 (18 companies)	13,463 (20 companies)	55,736 (48 companies)
[Direct Investment]	1,109 (3 companies)	7,658 (6 companies)	13,165 (13 companies)
Breakdown: Stocks	10 (2 companies)	7,658 (6 companies)	11,224 (11 companies)
Others (incl. bonds)	1,099 (1 companies)	—	1,940 (2 companies)
[TOTAL]	16,663 (51 companies)	27,173 (38 companies)	95,179 (118 companies)
[Comparison: JAFCO]	1,375 (23 companies)	14,710 (30 companies)	32,546 (106 companies)

*Where there are first and second quarter investments in the same company, the investment is counted as a single company to eliminate duplications. 15
(Source: compiled by SBIH based on the company material)

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. Total of after-tax sales value in FY2009 amounted **5,630 mil. yen**. 1Q FY09 recorded operating income was **1.1 bil.yen**, with dividend received of **1.6 bil.yen**.

Total of after-tax sales value in FY2009

(unit: million yen)

	Meifeng	Zoomlion	Goldwind	Kingsoft	Total
1Q FY09	-	865	1,615	1,435	3,917
2Q FY09 (as of Jul. 28)	521	924	-	267	1,713

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. Shares held were sold by June 19,2009, **realizing a capital gain of approx. 600 mil.yen, with an annualized IRR of 55.2%.**

Assets under Management of the SBIH Group

AUM of the SBIH Group amounted to 525.5 billion yen as of the end of Jun. 2009 (incl. "Real estate and others")

Private equity total: 250.4 bil. yen

[IT/Biotechnology] Total: 120.0

Internet 6.7

Broadband/Media 57.0

Mobile services 28.0

Biotech/Others 28.3

[Environment/Energy] 8.6

[Direct investment] 24.9

[Buyout/Mezzanine] Total: 34.4

Value Up 18.4

Mezzanine* 16.0

[Overseas] Total: 62.6

China/ Hong Kong/ Others* 31.4

Vietnam* 8.1

India* 9.5

Hungary* 13.6

[Investment trusts,others]

Total: 217.5 bil. yen

Investment trusts 41.2

Investment advisory 174.2

Investment companies 2.2

[Real estate, others]

Total: 57.6 bil. yen

Development 23.1

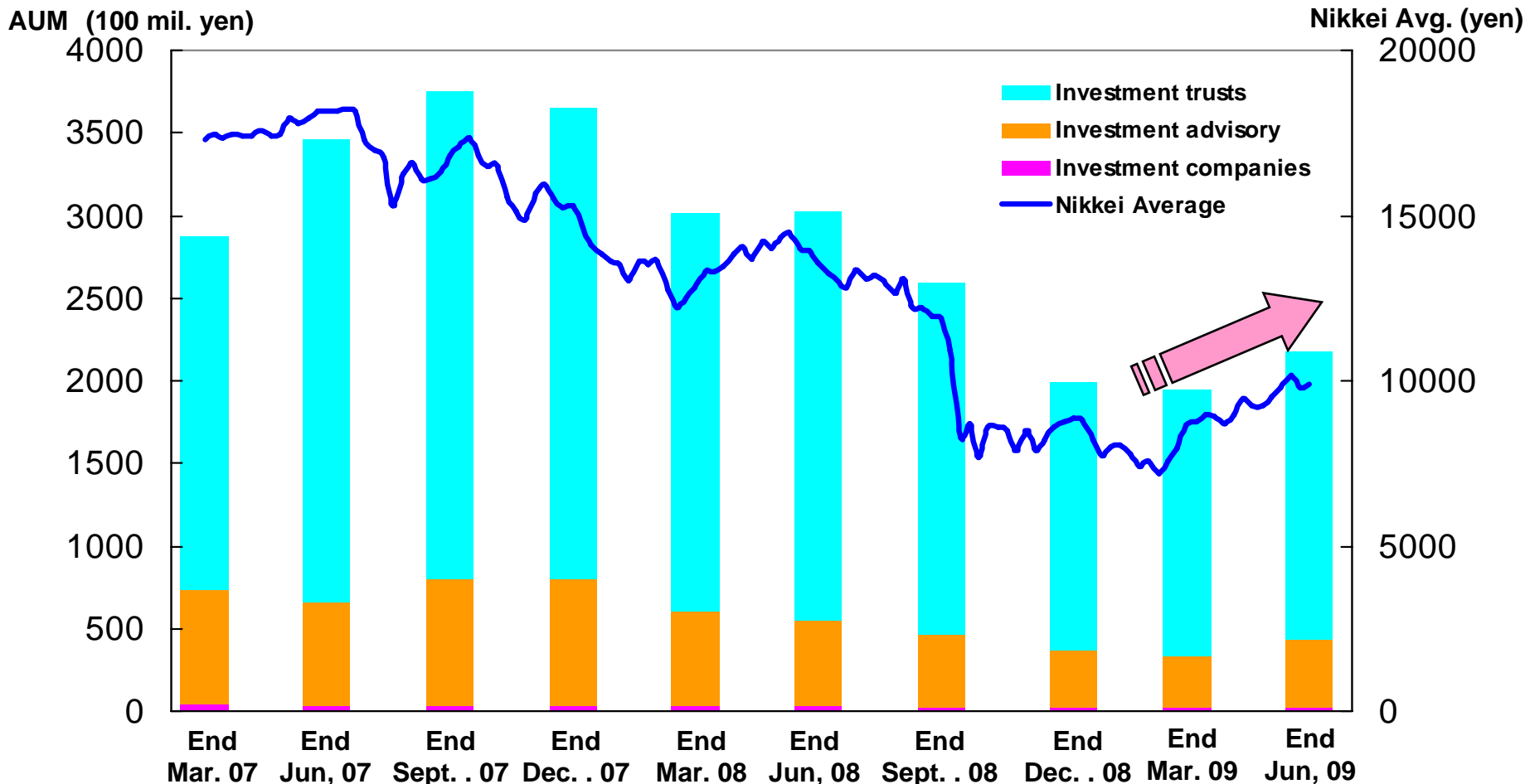
Completed properties 34.5

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 Jun. 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 Jun. 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

Balance of AUM is Recovering Steadily Along with Improving Stock Market Conditions

Change in asset balance of investment trusts and others (investment trusts, investment advisory and investment companies) under management



Although the balance of investment advisory provided at Morningstar Asset Management and the balance of investment trusts effected at SBI Asset Management decreased, due to a fall in market value and cancellations on the heels of the deteriorating economy, an upturn is expected in tandem with the economic recovery and we expect these balances to increase in the future.

(2) Brokerage & Investment Banking Business

Fiscal 2009 First Quarter

(Three months ended June 2009)

Operating Revenues: 13.5 billion yen (-4% YoY)

Operating Income: 3.1 billion yen(-10% YoY)

Major consolidated subsidiaries and affiliated companies

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

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.

I SBI SECURITIES' dominant customer base

Despite the appearing signs of a recovery in the securities markets, a real recovery is still not imminent. For SBI SEUCIRITIES, there are negative effects from the inclusion of E*Trade Korea to the consolidated results of 1Q FY08 resulting in operating revenues of 12.4 bil. yen, down 10.6% YoY, and operating income of 3.8 bil. yen, down 2.5% YoY.

However, we revised commission fees in March 2009 and implemented other measures that resulted in a 20.7% increase in operating revenues and a 131.4% increase in operating income compared with the previous quarter (Jan.-Mar. 2009), representing a significant improvement.

- **Total number of customer accounts as of the end of Jun. 2009 : more than 1.90 million accounts**
- **Retail trading value share was at 35.2%, and retail margin trading value share was at 39.4% in 1Q FY09; both shares are far higher than those of its competitors**
- **Daily average trading value increased 39.3% in June from March, bottoming out in April**
- **Brokerage basis has increased from 3.1 (FY2008 average) to 3.7 (1Q FY2009 average) mainly due to the revision of commission fees in March 2009**

Highlights of Brokerage & Investment Banking Business (2)

II SBI Liquidity Market produced substantial earnings contributions since the start of operations on Nov. 17, 2008.

Its trading value increased sharply since the start of operations, with operating revenues reaching 2.82 billion yen and operating income at 0.86 billion yen for Q1 FY09. Also, monthly operating revenues exceeded 1 billion yen for the first time.

- Foreign exchange margin trading value at SBI SECURITIES achieved a substantial increase upon the provision of “SBI FX α ” through SBI Liquidity Market. Monthly trading value expanded to 5,775.0 billion yen, approximate 13 times that of June '08 to June '09.
- SBI Liquidity Market's contributions to operating income of SBI SECURITIES totaled 1.79 billion yen in 1Q FY09

III Trading volume in Japannext PTS continues to increase with the inception of daytime trading

Trading volume at Japannext PTS increased steadily, with its monthly trading value increasing 64.4% to 149.1 billion yen in June 2009, setting a record high.

IV SBI Futures will discontinue its commodity trading brokerage business by July 31, 2009 (plan), and SBIH expects to merge it into a wholly owned subsidiary through a stock exchange by Aug. 1, 2009 (planned effective date).

SBI SECURITIES 1Q FY2008 Results

(Consolidated)

There was a decrease in consolidated revenues and earnings from a year earlier, owing to the inclusion of E*Trade Korea's results for the 1Q FY08 performance

E*Trade Korea 1Q FY08 Results

Operating revenues 1,596 mil. yen, operating income 577 mil. yen

(million yen, %)

	1Q FY2008 (Apr. 2008 to Jun. 2008)	1Q FY2009 (Apr. 2009 to Jun. 2009)	YoY Change
Operating Revenues	13,921	12,448	-10.6
Net Operating Revenues	12,579	11,516	-8.4
Operating Income	3,879	3,781	-2.5
Ordinary Income	4,021	3,862	-4.0
Net Income	2,808	2,300	-18.1

SBI SECURITIES 1Q FY2008 Results (Non-Consolidated)



There was an increase in non-consolidated revenues and earnings mainly due to the revision of brokerage fees (*) and an increase in trading revenue from FX trading

(million yen, %)

	1Q FY2008 (Apr. 2008 to Jun. 2008)	1Q FY2009 (Apr. 2009 to Jun. 2009)	YoY Change
Operating Revenues	12,287	12,401	+0.9
Net Operating Revenues	11,106	11,487	+3.4
Operating Income	3,308	3,767	+13.9
Ordinary Income	3,449	3,853	+11.7
Net Income	2,589 ^{*2}	2,292	-11.5

*1 Brokerage basis increased from 3.1 (FY08 full year average) to 3.7 (FY09 Q1 average) due to the revision of commission fee

*2 Recorded extraordinary loss of 689 mil. yen for reversal of the provision of reserve for liability of financial product dealing associated with a decrease in stock brokerage trading value.

Comparison of FY09/1Q Consolidated Performance of Major Online Securities Companies

- SBI SECURITIES achieved an increase in non-consolidated revenues and earnings, even though there was a decrease in consolidated revenues and earnings from a year earlier, owing to the inclusion of E*Trade Korea's (operating revenue of 1,596 mil. yen and operating income of 577 mil. yen) results for 1Q FY08.
- Both operating revenue and operating income highly exceeded those of its competitors

FY09/1Q consolidated performance of five major online securities (million yen, %)

	Operating Revenues	YoY Change	Operating Income	YoY Change
SBI	12,448	-10.6	3,781	-2.5
(non-cons.)	12,401	+0.9	3,767	+13.9
Rakuten	6,181	-0.3	1,676	+22.9
Monex	6,138	-16.7	1,663	-19.0
kabu.com (non-cons.)	4,296	-5.4	1,543	-15.2
Matsui	6,837	-14.9	2,968	-19.4

(Source : Based on company materials)

SBI SECURITIES Quarterly Results (Consolidated)

(million yen, %)

	FY2008				FY2009	
	1Q (Apr.-Jun. 2008)	2Q (Jul.-Sep. 2008)	3Q (Oct.-Dec. 2008)	4Q (Jan.-Mar. 2009)	1Q (Apr.-Jun. 2009)	YoY Change
Operating Revenues	13,921	12,736	10,568	10,316	12,448	+20.7
Net Operating Revenues	12,579	11,120	9,456	9,034	11,516	+27.5
Operating Income	3,879	2,527	1,610	1,633	3,781	+131.4
Ordinary Income	4,021	2,423	1,563	^{*3} 1,382	3,862	+179.5
Net Income	2,808	^{*1} 6,094	^{*2} 435	810	2,300	+183.8

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

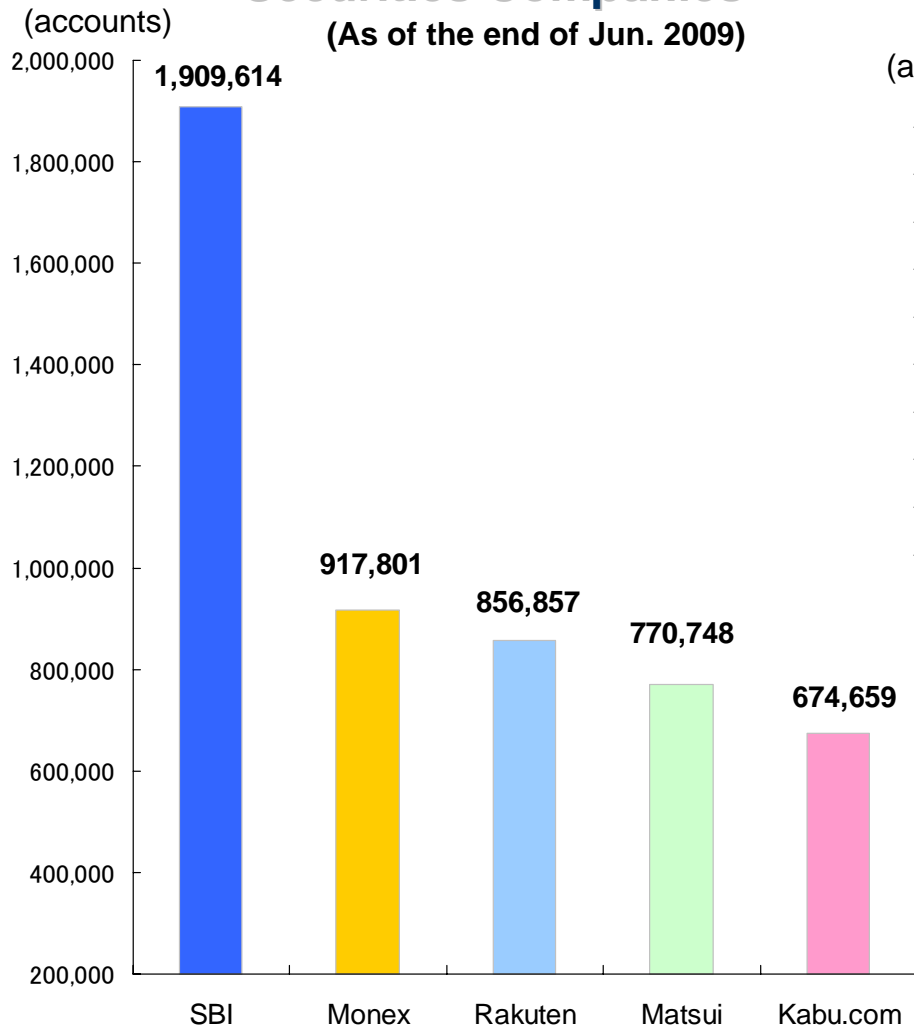
*2 Extraordinary losses of about 0.37 billion yen was recorded due to expenses for change in its corporate name, and of about 0.46 billion yen due to expenses for system integration

*3 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

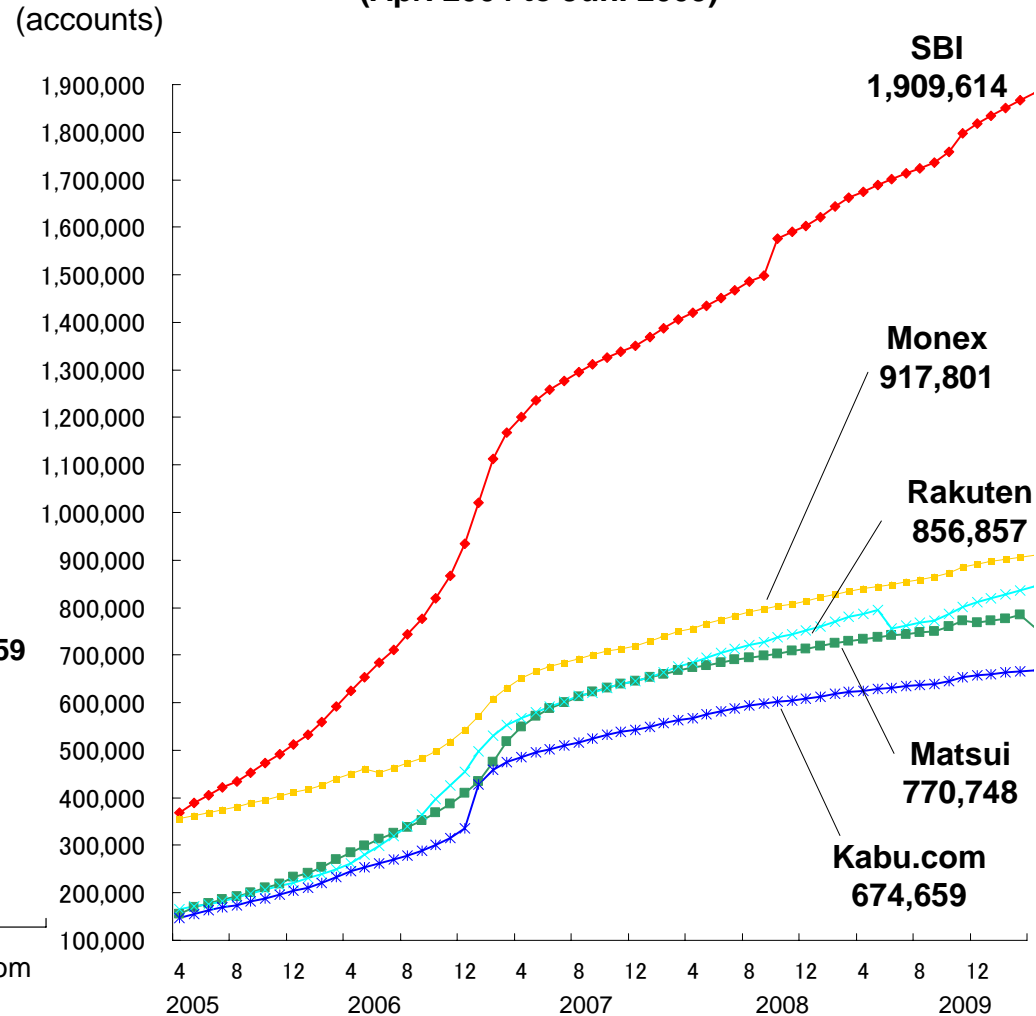
Customer Accounts of 5 Major Online Securities Companies

(As of the end of Jun. 2009)



Customer Account Trend of 5 Major Online Securities Companies

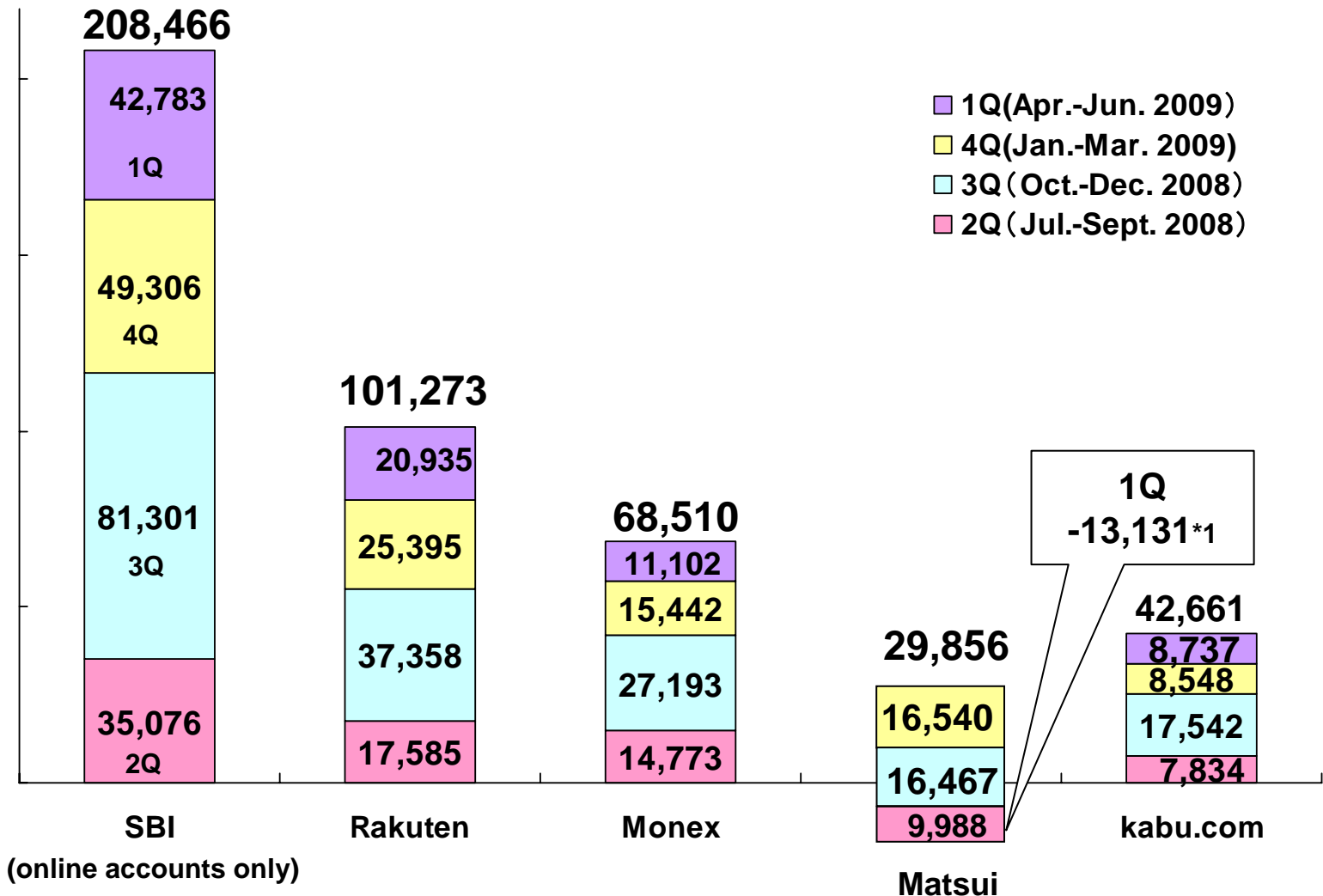
(Apr. 2004 to Jun. 2009)



New Accounts at Major Online Securities Companies

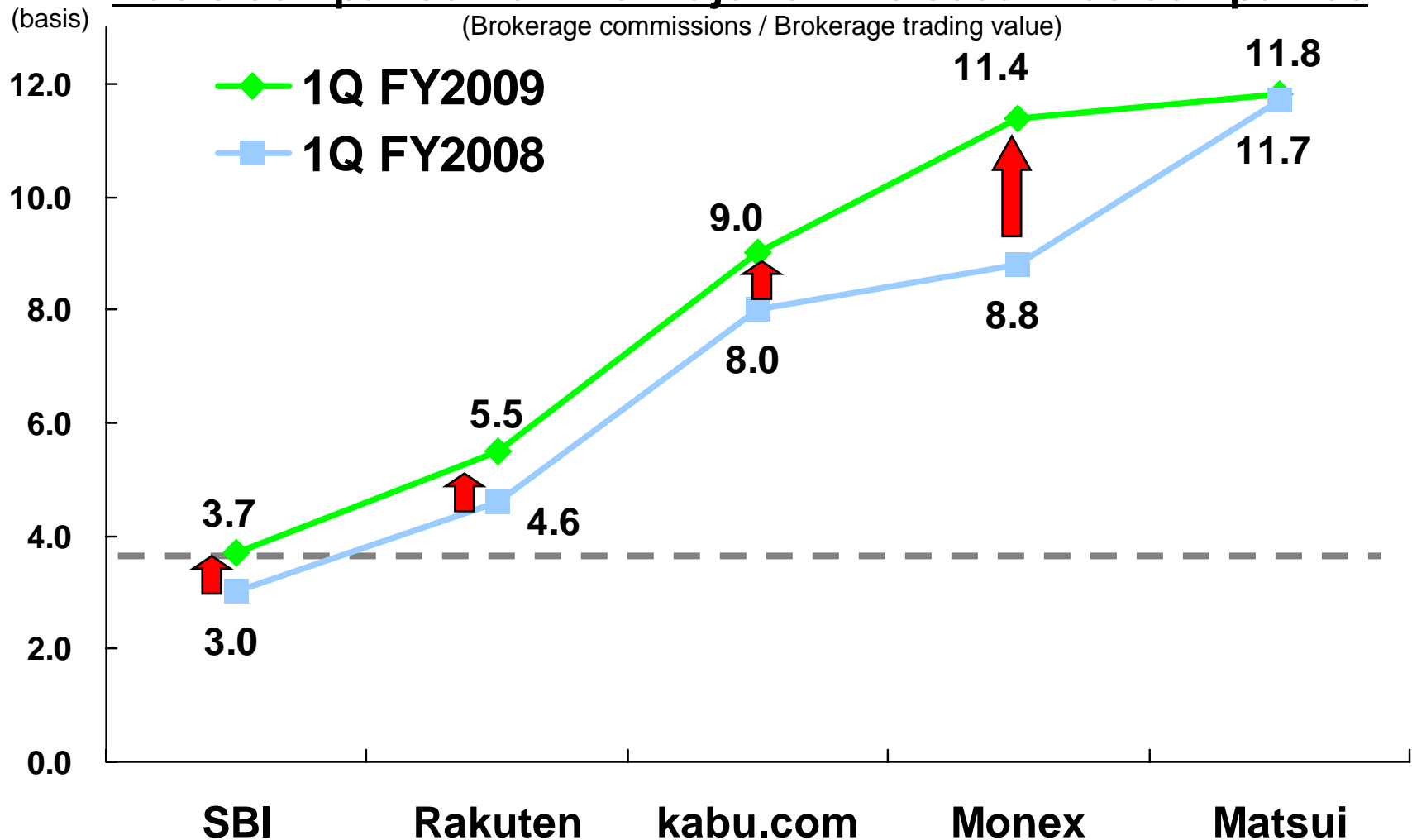
New accounts from July 2008 to June 2009

(accounts)



Basis Comparison of Major Online Securities Companies

Basis comparison of five major online securities companies



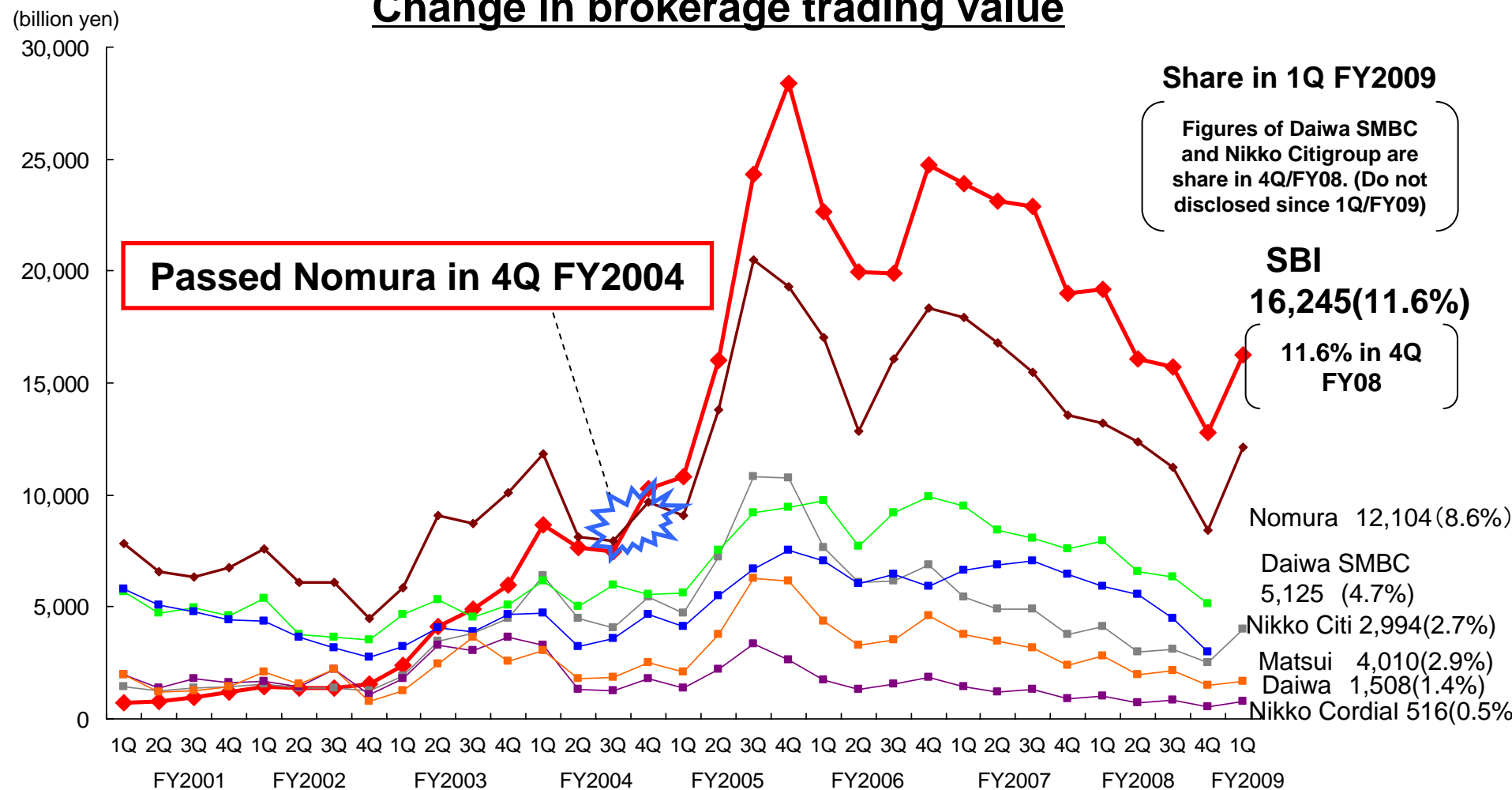
Source: Based on company materials and monthly announcements.

Cumulative figures for April 2007 to March 2008. 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



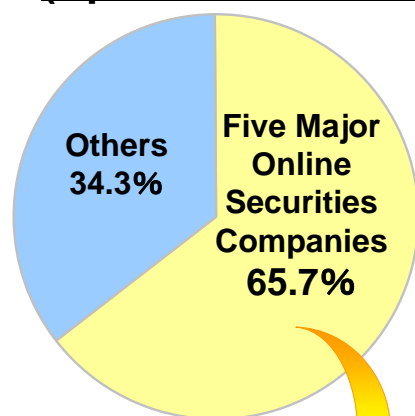
Source: Based on TSE and company materials (SBI includes orders from overseas investors)

(Unit: billion yen; percentages based on brokerage trading value of three major exchanges)

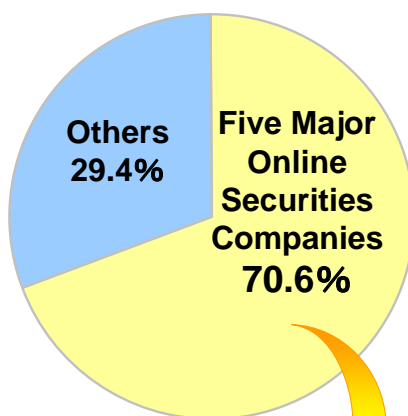
Major Online Securities Companies' Market Share of Retail Margin Trading Value

Change in share of retail margin trading value

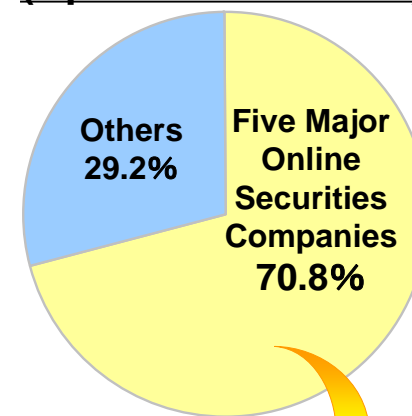
1Q FY2007
(Apr.2007-Jun.2007)



1Q FY2008
(Apr.2008-Jun.2008)



1Q FY2009
(Apr.2009-Jun.2009)



Source: Based on TSE, JASDAQ and company materials

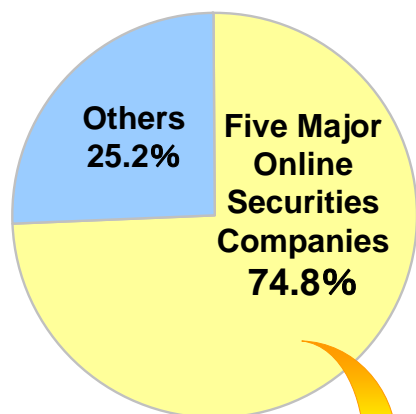
* Individual brokerage trading value is the sum of trades on the three major exchanges and JASDAQ.

Figures of SBI SECURITIES only includes trades through Internet

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

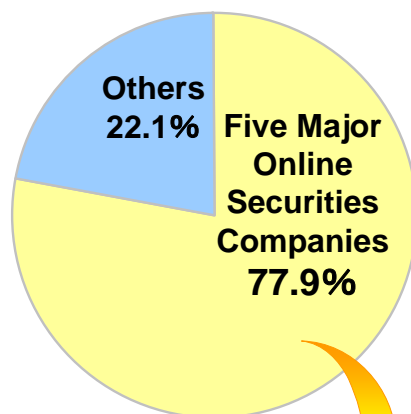
Change in share of retail margin trading value

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



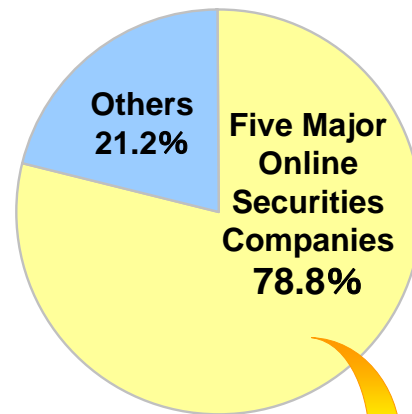
SBI	38.2%
Rakuten	15.4
Matsui	9.3
kabu.com	6.8
Monex	5.1

1Q FY2008
(Apr.2008-Jun.2008)



SBI	39.2%
Rakuten	15.9
Matsui	8.3
Monex	8.1
kabu.com	6.5

1Q FY2009
(Apr.2009-Jun.2009)



SBI	39.4%
Rakuten	16.6
Matsui	9.8
kabu.com	6.9
Monex	6.2

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

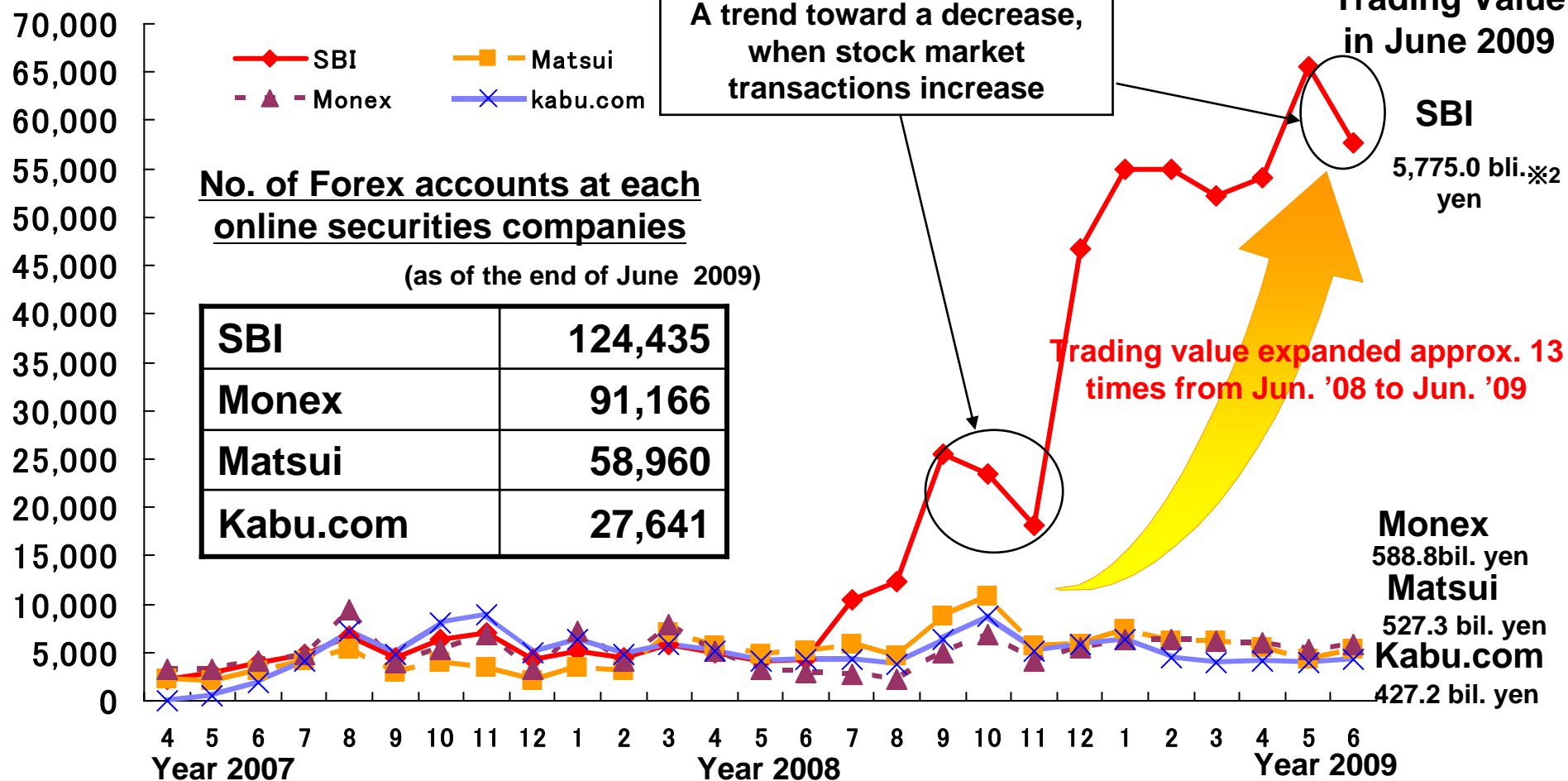
SBI Liquidity Market Co., Ltd.

(Started operations on November 17, 2008)

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)



*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

Since its inception on November 17, 2008, in a very short period of time, SBI Liquidity Market has grown to become a subsidiary that contributes substantively to the Group's consolidated performance

[Earnings Contributions]

(Unit: mil. yen)

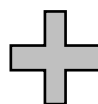
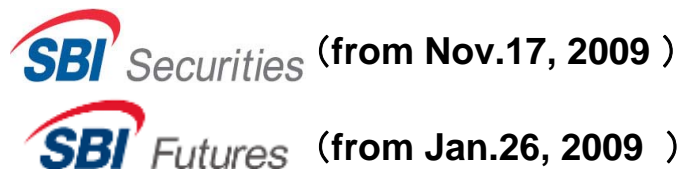
	FY2008			FY2009
	3Q ※1	4Q	3Q+4Q	1Q
Operating Revenue	552	2,348	<u>2,900</u>	<u>2,822</u>
Incl. Gain on Trading of SBI SECURITIES (Operating Income for SBI SECURITIES)	346	1,486	<u>1,832</u>	<u>1,791</u>
Operating Income	114	732	<u>846</u>	<u>8,65</u>

*1. 1.5 months from the start of operations

Operating income recorded in June surpassed 1 bil. yen for the first time on a monthly basis

Plan to increase the liquidity (transaction volume) through increasing the number of connected companies

Connected companies



Preparing to connect in summer '09

Participating securities firms outside of the SBIH Group will increase

SBI Japannext Co., Ltd.

(started operations on Aug. 27, 2007)

Started Daytime Trading Session During the 3Q FY08

Becoming the Largest PTS in Japan (1)

The trading value at Japannext PTS has been growing steadily,
as monthly trading value consistently exceeded 100 bil. yen

Monthly trading value comparison among PTS providers (FY2009)

(Unit: million yen)

Up 64.4%
(Month to month)

Operating Company	Start of Operation	Apr.			May.			Jun.		
		Daytime	Nighttime	Total (Daily Avg.)	Daytime	Nighttime	Total (Daily Avg.)	Daytime	Nighttime	Total (Daily Avg.)
SBI Japannext	Aug-07	81,816	29,025	110,841 (5,278)	65,439	25,302	90,741 (5,041)	115,957	33,220	149,178 (6,781)
Kabu.com	Sept-06	13,675	473	14,149	8,606	396	9,002	18,476	592	19,068
Monex	Jan-01	—	3,041	3,041	—	2,887	2,887	—	3,412	3,412
Daiwa	Aug-08	—	1,739	1,739	—	1,643	1,643	—	1,909	1,909
Matsui	May-08	23	—	23	11	—	11	12	—	12

Note: 1. Trading value 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

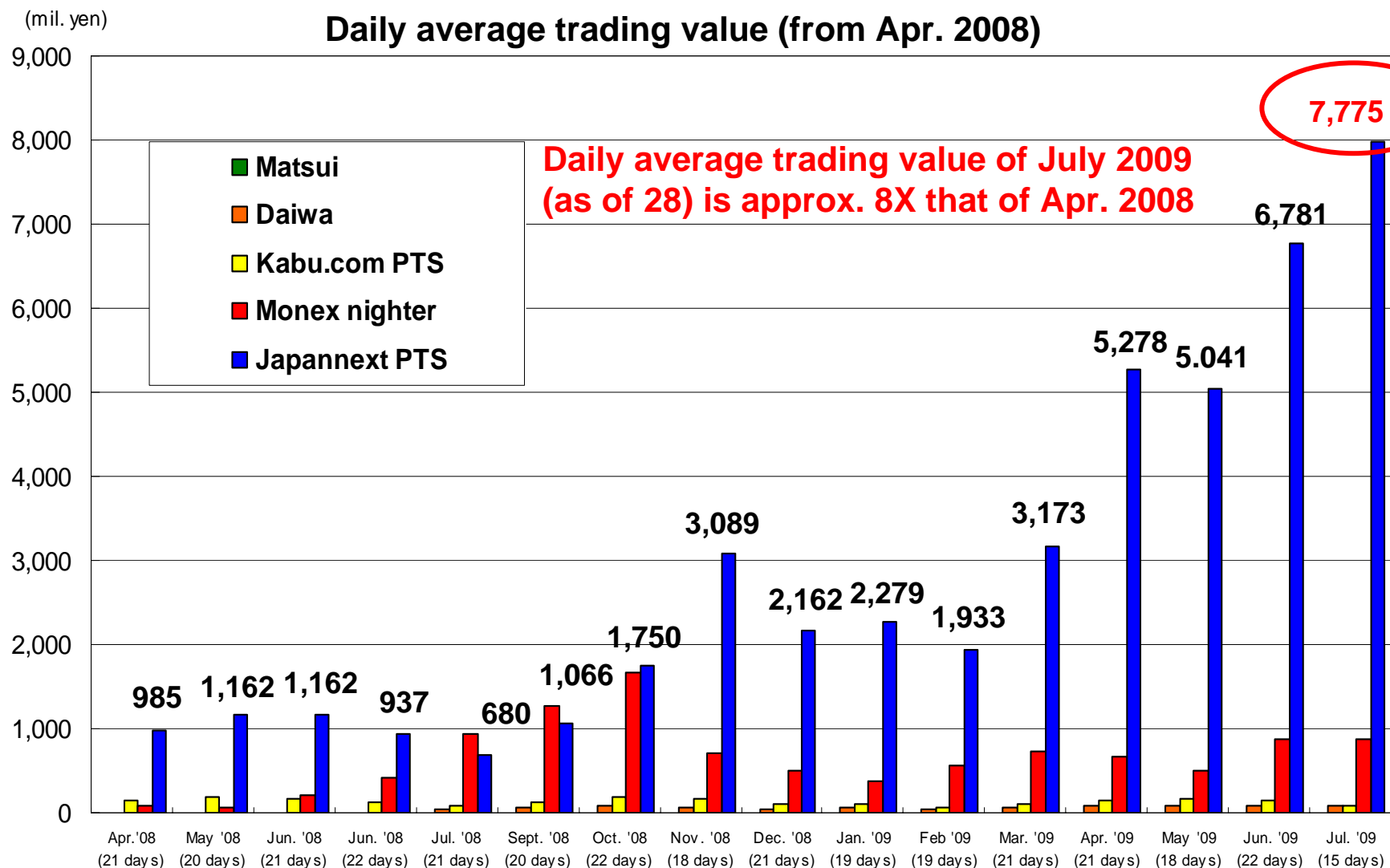
3. Figures are single count (purchases and sales not counted separately)

**Exceeded 100
billion yen
(on a monthly basis)**

**Monthly trading value in July:
147.7 bil. yen
Daily average : 7,775 mil. yen
(as of July 28)**

Becoming the Largest PTS in Japan (2)

The trading value in Japannext PTS has been steadily growing, while those in other PTS are sluggish.



Note: 1. Trading value 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)

(3) Financial Services Business

Fiscal 2009 First Quarter

(Three months ended June 2009)

Operating Revenues: 6.1 billion yen (+8% YoY)

Operating Income : 0.2 billion yen (-58% YoY)

Existing business:

Operating Revenues 5.8 bil. yen (3% YoY)

Operating Income 0.5 bil. yen (-30% YoY)

New business:

Operating Revenues 0.5 bil. yen (+185% YoY)

Operating Income -0.4 bil. Yen (-)

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 (-0.2 bil. yen)
SBI Card Processing (-0.1 bil. yen)
SBI AXA Life Insurance (-0.1 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

[Existing businesses]

- 1) **Morningstar Japan**'s 1Q FY09 performance declined YoY in consolidated revenues and earnings due to the decline in the demand for advertisement from financial institutions, which are the major clients. However, there was a **significant increase in non-consolidated revenues and earnings from the previous quarter**. The 1Q Fy09 non-consolidated result was a 47.6% increase in operating income from 4Q FY09, and a 88.4% increase from 3Q FY08.
- 2) **SBI VeriTrans**' transactions increased 14% YoY to 13.96 million, along with the steady growth of Japan's e-commerce market. And, it's consolidated operating income, ordinary income, and net income increased **more than 12% YoY**.
- 3) **At the Marketplace business**, which operate financial comparison websites, transactions at all the financial comparison websites increased 12.6% to 248,000, which turned to increase in operating revenues. However, operating income has declined due to aggressive promotion and the decrease in unit price of received commissions from the participating financial institutions.

[New businesses]

- 1) **SBI Sumishin Net Bank** continued to achieve steady growth in **deposits to 672.4 billion yen**, and **customer accounts to 485,000** as of June 31, 2009. It became profitable in 1Q FY09, following its profitability in the previous quarter, and consolidated profit/loss for investment equity-method (non-operating profit/loss) is expected to improve dramatically as well .
- 2) **SBI Insurance** increased the **accumulated number of contracts to more than 61,000 in as of the end of June '09** after the discount of premium and the expansion of its channels.
- 3) **SBI AXA Life Insurance** increased the number of monthly average policies written to more than 1,000 owing to new measures such as the sales of its products at its Internet-based agencies and the publicity recognition.

1Q FY09 Performance of Publicly Owned Subsidiaries

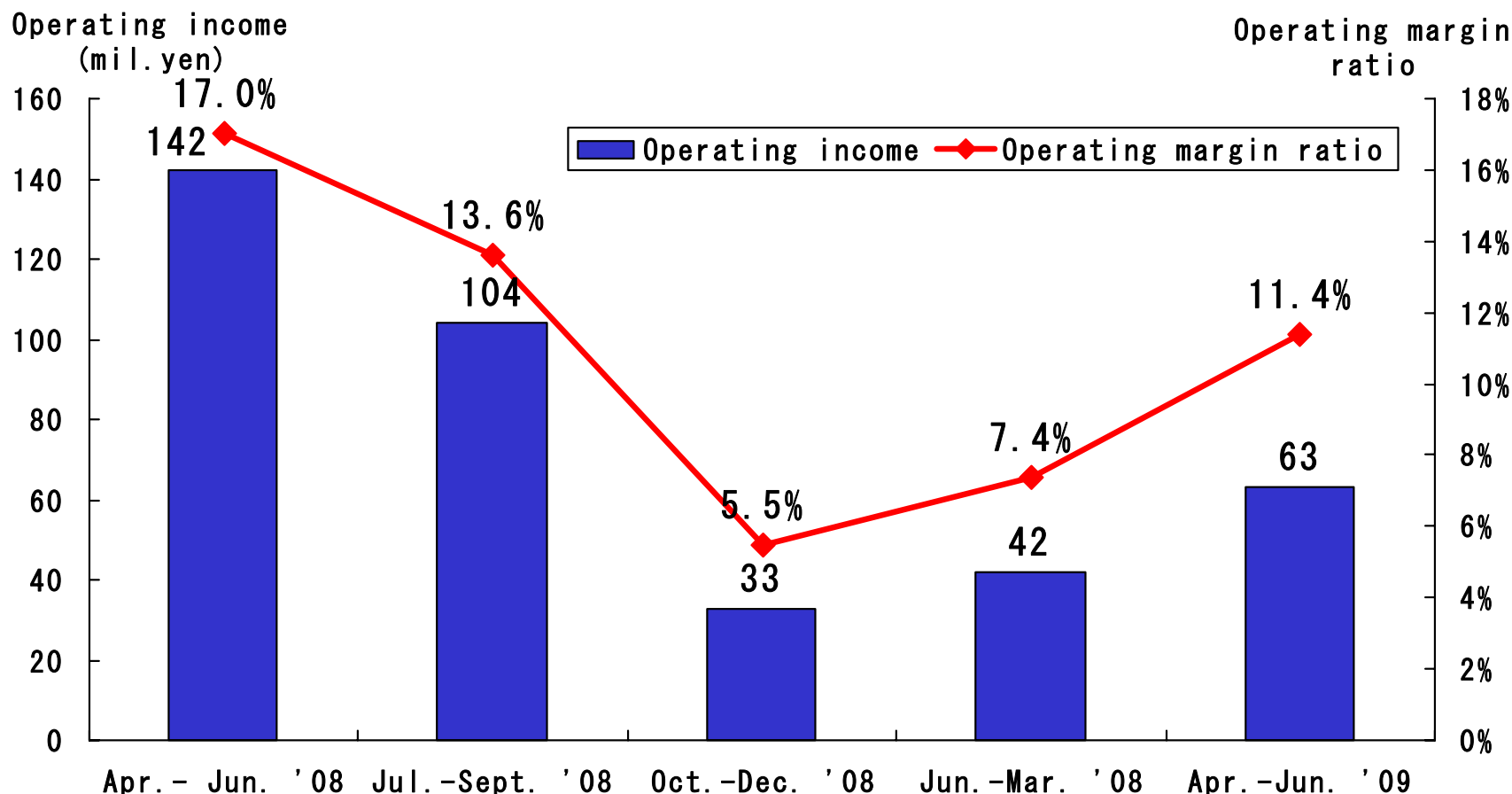
(Unit: million yen, Figures in parentheses are YoY change (%))

	Operating Revenues	Operating Income	Ordinary Income	Net Income
Morningstar Japan	555 (-33.4)	63 (-55.4)	90 (-43.9)	48 (-60.1)
SBI VeriTrans	1,228 (+9.7)	264 (+12.8)	265 (+14.5)	154 (+12.2)

Morningstar Japan Quarterly Operating Income

(Consolidated)

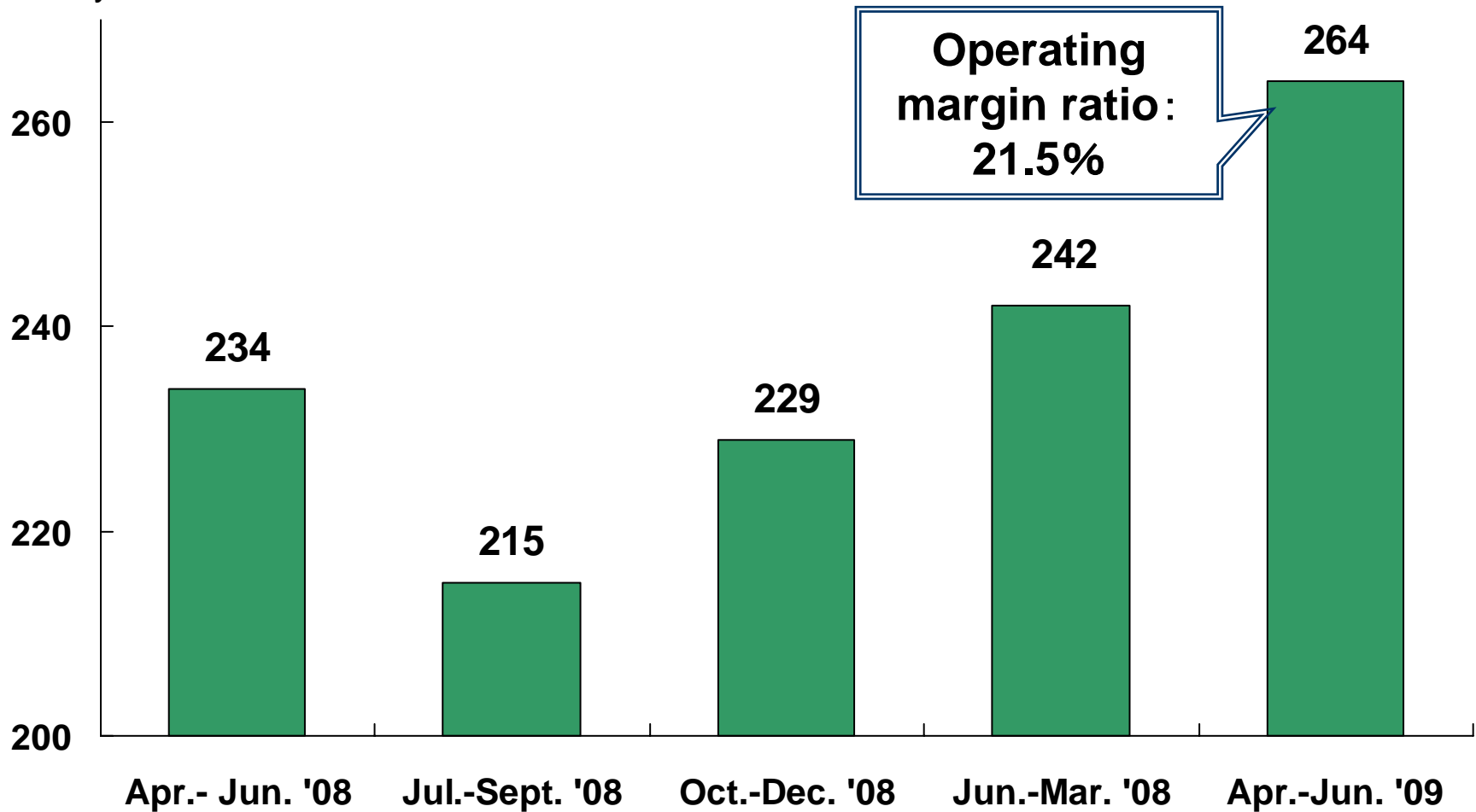
Operating income recovered due to a decrease in the SG&A (-1.01 mil. yen YoY) and the increase of fund/stock information distribution



SBI VeriTrans Quarterly Operating Income (Consolidated)

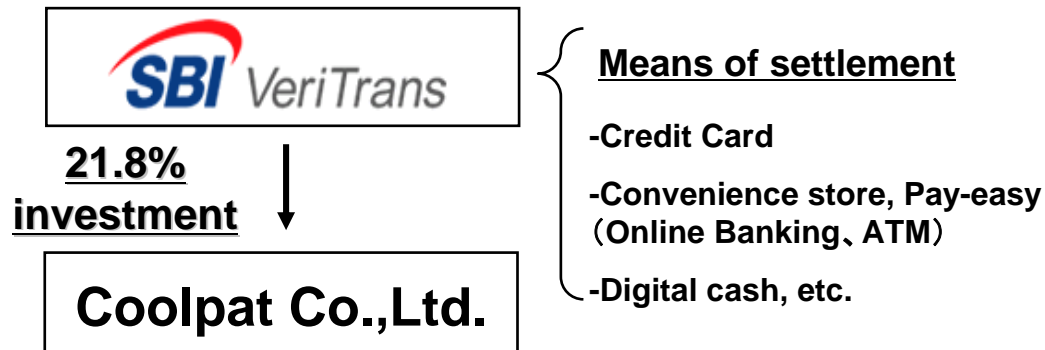
Operating income of SBI VeriTrans continues steady increase and
reached an all-time high on a quarterly basis in 1Q FY2009

(mil. yen)



Announced a Business and Capital Alliance with Coolpat Co., Ltd. which Provides Payment Services for Online Banking

-Enforcement and expansion of EC payment services utilizing Internet banking-
(announced on July 3, 2009)



◆ Payment service offered by Coolpat which enables money transfer to online banks

-available for various financial institutions including online banks-

- ・  ,eBank, Japan Net Bank

・Collaborating with 368 financial institutions including major city banks utilizing “Pay-easy”*

Cooperative development of new solutions for online banking payment

Provision of EC payment integration services by SBI VeriTrans

* Electronic payment services actualized through the networking between receiving shops and financial institutions. This enables the payment of utility bills and/or other payments from the PC, cell phones and ATMs in convenience stores.

Marketplace Business:

Transaction volume at the Marketplace Business, which consists mainly of “InsWeb” and “E-loan,” **steadily increased 12.6% YoY**, although it declined from the previous quarter (Jan.-Mar. '09), owing to **a temporary increase due to seasonal factors**



Affiliated non-life insurance companies, etc.: 23

Affiliated life insurance companies, etc.: 20

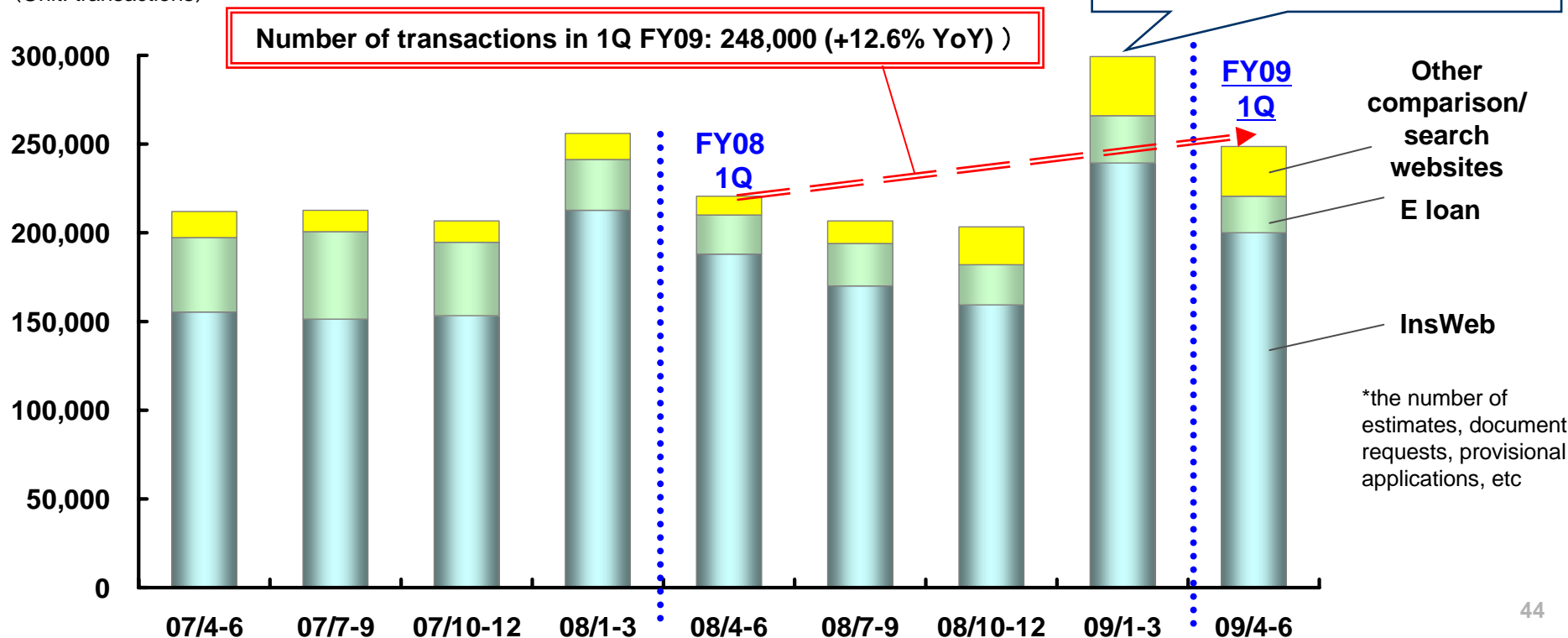
Affiliated financial institutions: 67

Types of loan products: 546

Other financial comparison websites (total: 6): estimate/ comparison of Securities, FX, Car lease

Change in transaction volume at the Marketplace Business*

(Unit: transactions)



Progress of the New Businesses

SBI Sumishin Net Bank, Ltd.

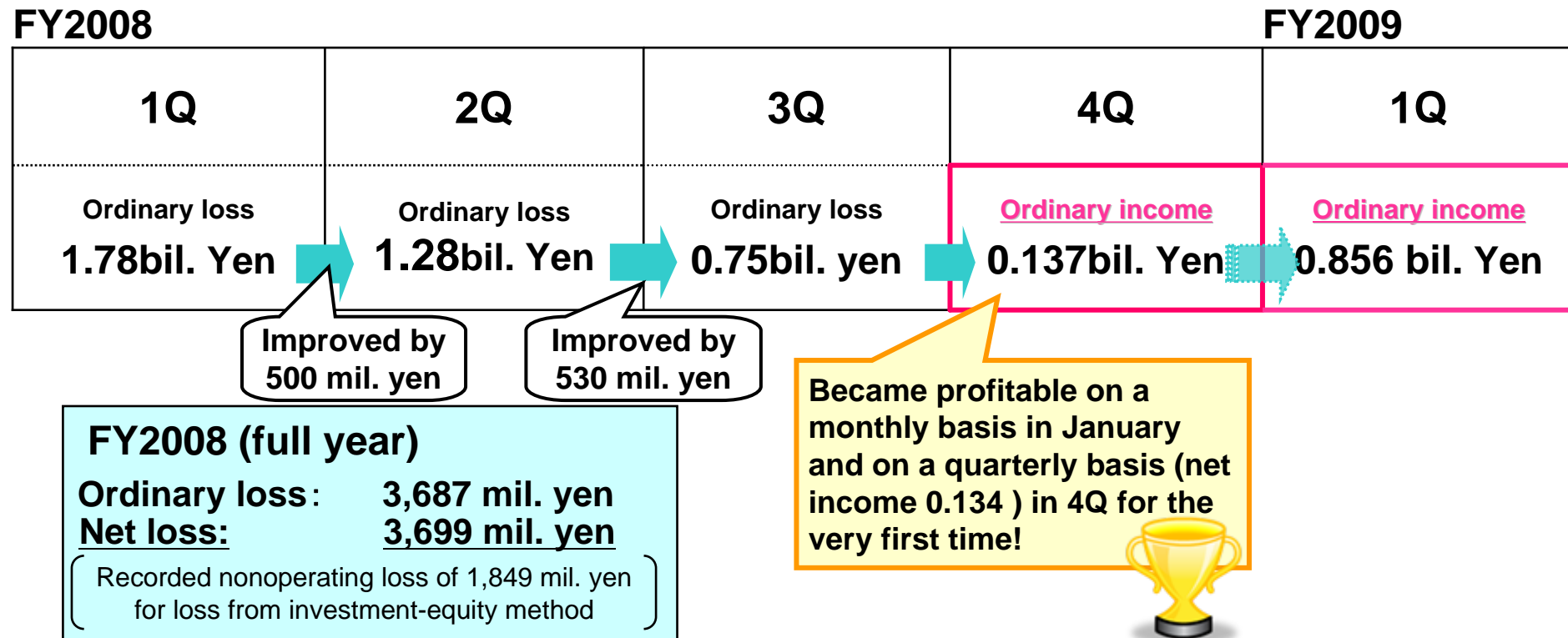
Internal targets at the start of operations

(started operations in Sept. 24, 2007)

- Targeted No. of accounts FY2009: around 400,000
FY2011: around 600,000
- Targeted deposit amount FY2009: around 700 billion yen
FY2011: around 1 trillion yen
- Targeted profits FY2009: Become profitable
FY2011: around 5 billion yen of net income
eliminate cumulative loss

SBI Sumishin Net Bank is Profitable for Two Consecutive Quarters, Following its Profitability in 4Q FY 08

【Change in ordinary income and loss】



Following the previous quarter's profitability, the profit for 1Q FY09 was also sizable

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 June 2009 *parenthetic figures based on quick estimation as of Jul. 27, 2009

Accounts: 485,341 (505,992)

Deposits: 672.4 bil. yen (703.0 bil. yen)

Loans issued: 261.5 bil. yen (272.4 bil. yen)

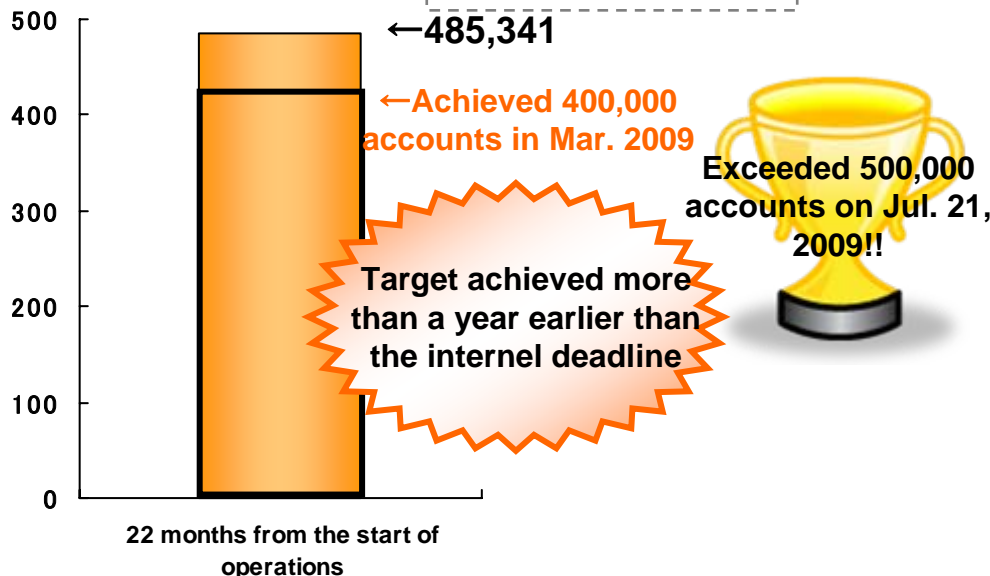
(Mortgage + Internet loan)

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

Accounts

(thousand accounts)

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

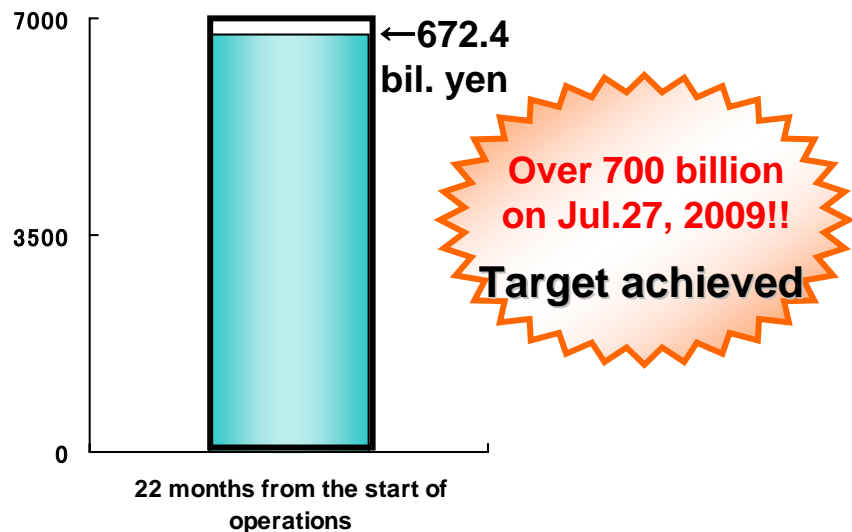


Next target: approx. 600,000 accounts by the end of Mar. 2012

Deposits

(100 mil. yen)

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



Next target: approx. 1 trillion yen by the end of Mar. 2012

SBI Sumishin Net Bank Deposits Topped 700 Billion Yen After Only 673 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 673 days^(*2) since its start of operations on Sept. 24.

Days required by major Internet banks to reach 700 billion yen in deposits:

	Start of operations	Time needed to reach 100 billion yen (*1)	Days after start of operations	Time needed to reach 700 billion yen (*1)	Days after start of operations	Deposit outstanding (*2)
eBANK	2001/07/23	2003/10/01 ~ 2004/03/31	801-983 days	2008/2/7	<u>2,391 days</u>	710.7 bil. yen
Japan Net Bank	2000/10/12	2002/10/01 ~ 2003/03/31	720-901 days	—	—	440.5 bil. yen
Sony Bank	2001/06/11	2002/03/01 ~ 2002/03/31	264-294 days	2006/12/1 ~ 2006/12/31	<u>2,000-2,030 days</u>	1,330.9 bil. yen
SBI Sumishin Net Bank	2007/09/24	2007/11/19	57 days	2009/7/27	<u>673 days</u>	703.0 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 Jul. 27, 2009, that of eBank, Japan Net Bank and Sony Bank as of the end of Jun. 2009.

Steadily Expanding the Customer Base

Comparison of 1Q FY09 (Apr-June) Results of Online Banking Companies

	Increase/Decrease in FY09/1Q (Apr.-Jun.)		At the end of Jun.'09
	Number of Account	Deposit Balance (million yen)	Deposit per customer (thousand yen) (*3)
SBI Sumishin Net Bank	<u>66,852</u>	<u>42,531</u>	<u>1,385</u>
Sony Bank	12,788	4,600	1,806
eBANK	104,000 (*1)	-24,300	218
Japan Net Bank	42,000	5,600	217

Source: Compiled by SBIH based on disclosed materials

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

*2 Total deposit / Number of accounts

Steady Growth in Accumulated Total of Housing Loans Outstanding

~Topped **250 billion yen** after **639 Days** since the start of its business~
(Jun. 23, 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	1659~1750 days (Note 2)	639 days

The fastest among the pure-play Internet banks!

Days needed to achieve the loan amount below.

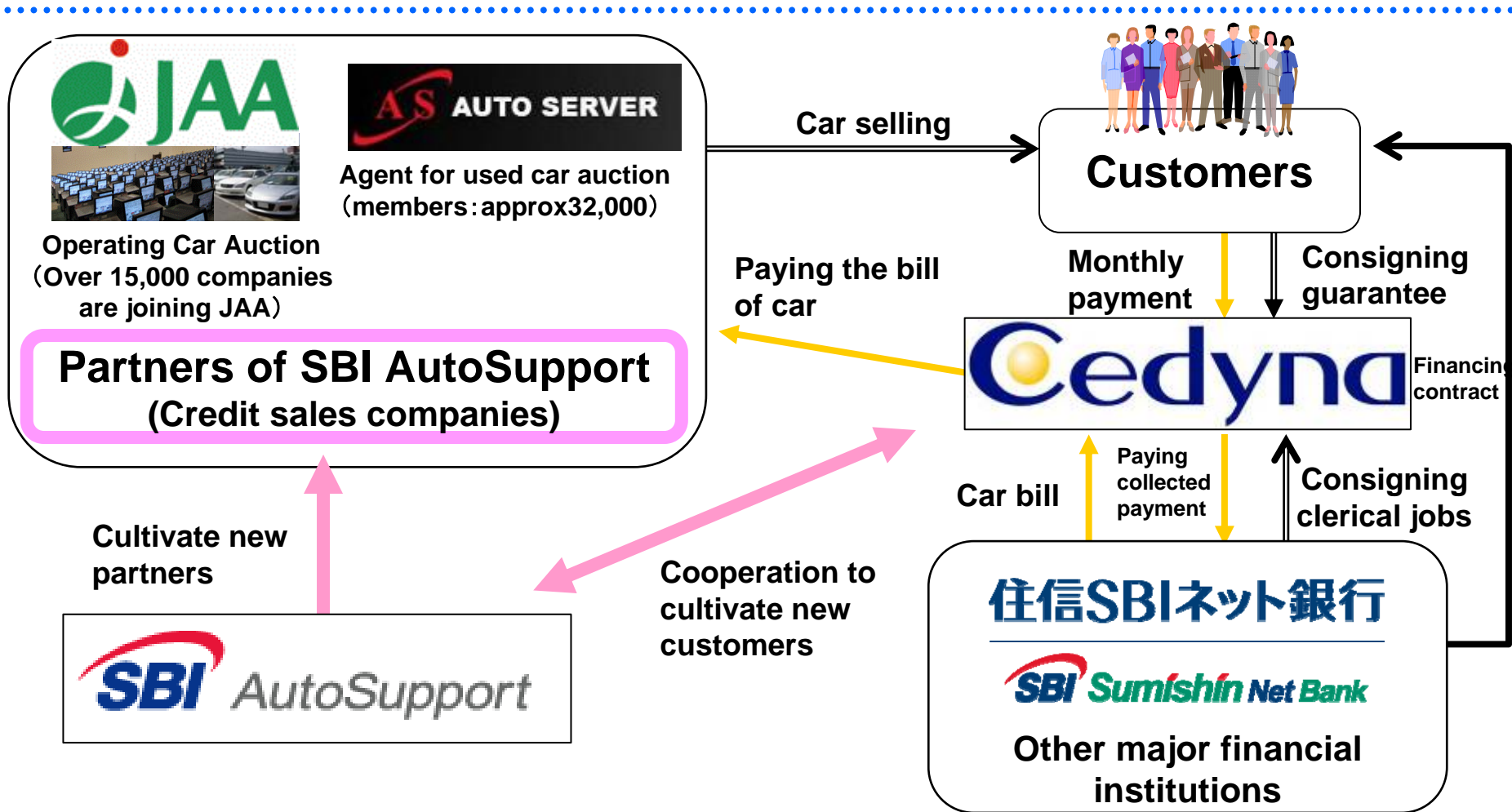
From the start to 200 bil. yen : 551 days (increasing 10 bil. yen in 27 days)

From 200 bil. yen to 250 bil. yen : 88 days (increasing 10 bil. yen in 17 days)

Auto Loan Business through "SBI Auto Loan"

(started from July 27, 2009)

~SBI Sumishin Net Bank augments stable investment management by further diversifying its sales channels through SBI Auto Support~



*:Cedyna Financial Corp is one of the largest consumer finance firm in Japan, which was born as the integration of OMC Card, Inc, Central Finance Co.,LTD. , QUOQ Inc

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

⇒ Internal target for FY09: 150,000

• Targeted revenues 5th term: Turn a single-year profit
10th term: 25-30 bil. yen of net
premium income

Full-scale Launch of SBI Nonlife Insurance Business

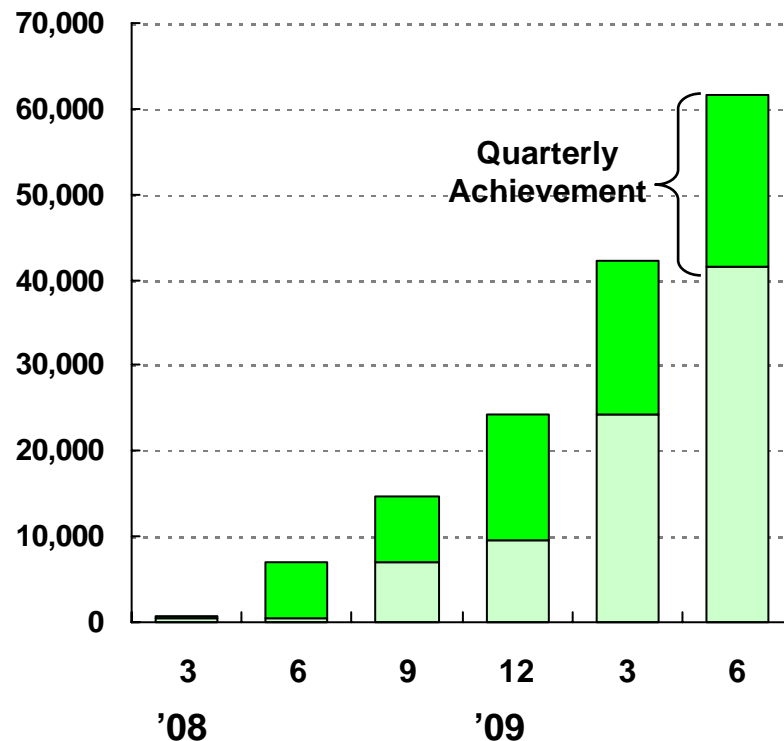
~Target number of policies for FY2009: over 150,000~

Growth in number of policies and direct income of insurance premium

Change in the number of insurance Contracts
(written basis) / accumulated total

The accumulated number of insurance contracts: more than 68,000 (as of Jul. 27, 2009)

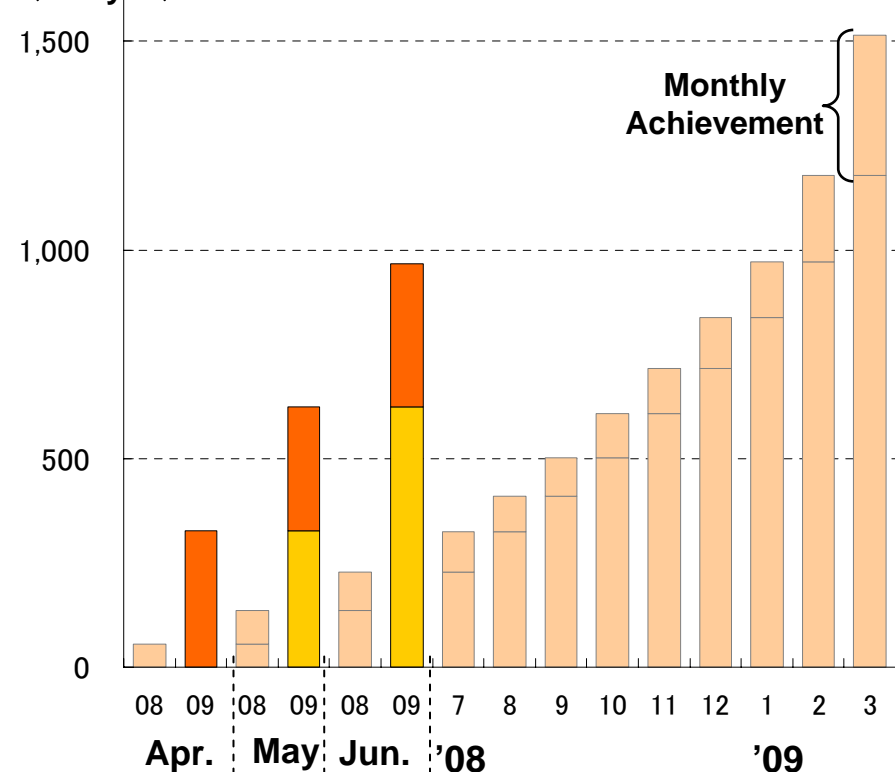
(policies)



Change in direct income of insurance premium
(written basis*) / accumulated total

Direct Income of Insurance Premium in Apr.-Jun. 2009 increased 4.2 times YoY to approx. 9.6 bil. yen

(mil. yen)

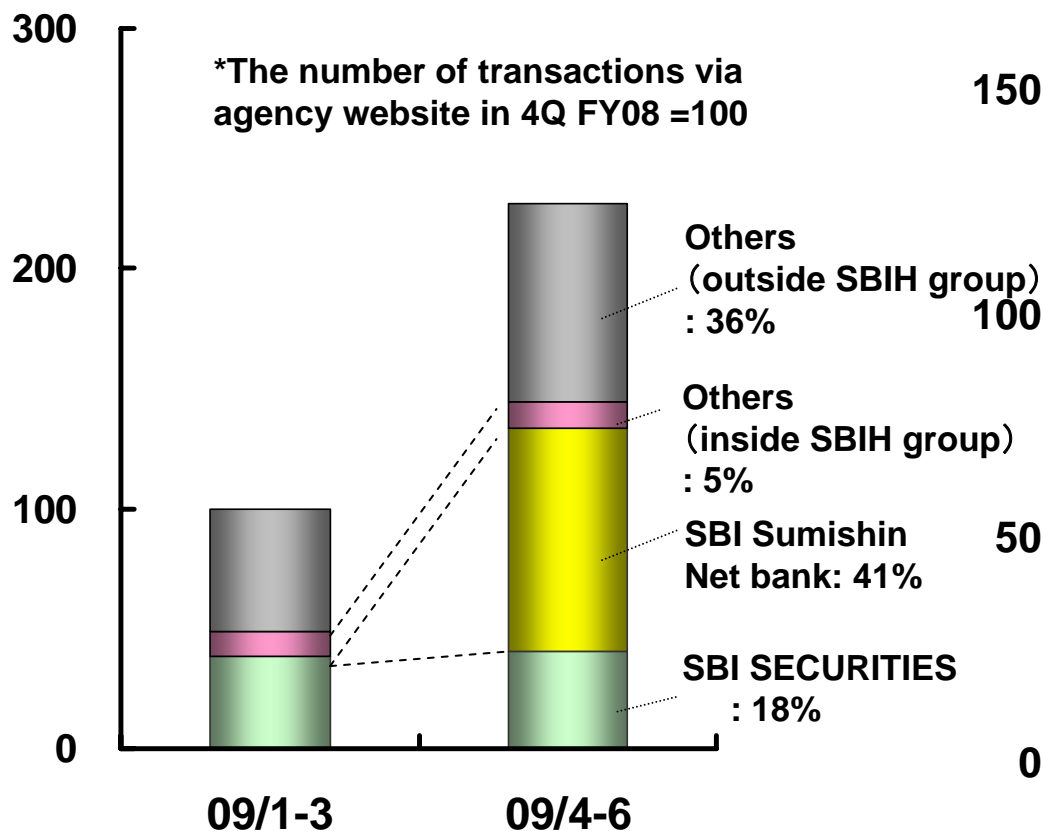


Plan to Increase the Number of Contracts through the Broadening of the Sales Channel

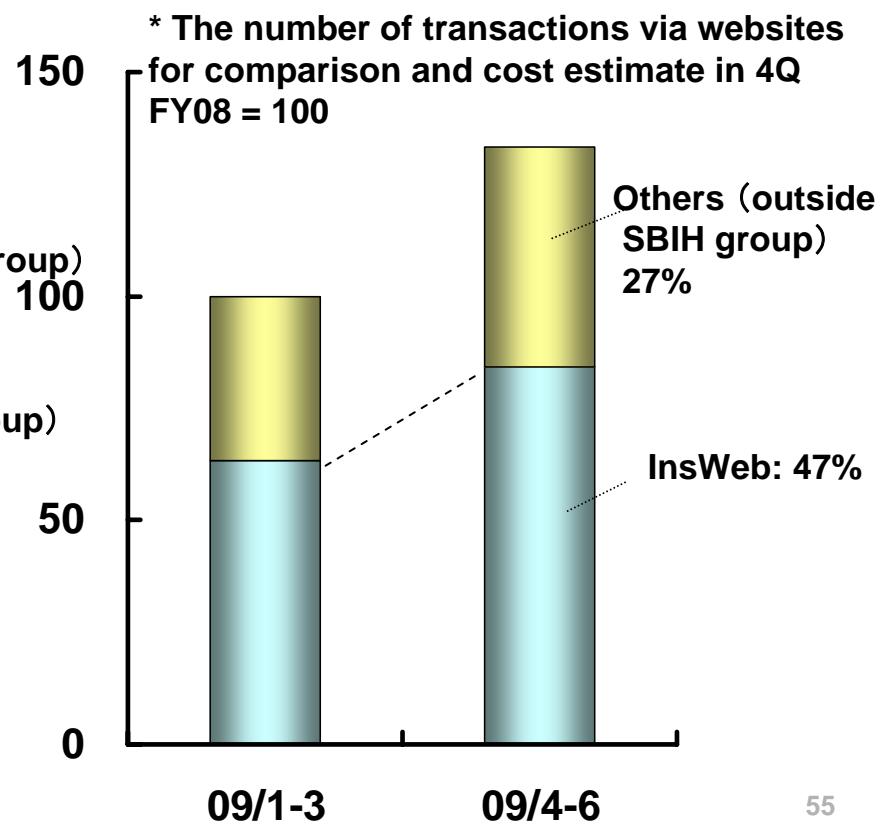
-Started bank channel sales (through SBI Sumishin Net Bank) in April, and the number of transactions via the SBIH Group has already been steadily increasing-

Quarterly comparison of the number of SBI Insurance's contracts in each channel

Agency websites



Websites for comparisons and cost estimates



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 in FY08: 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

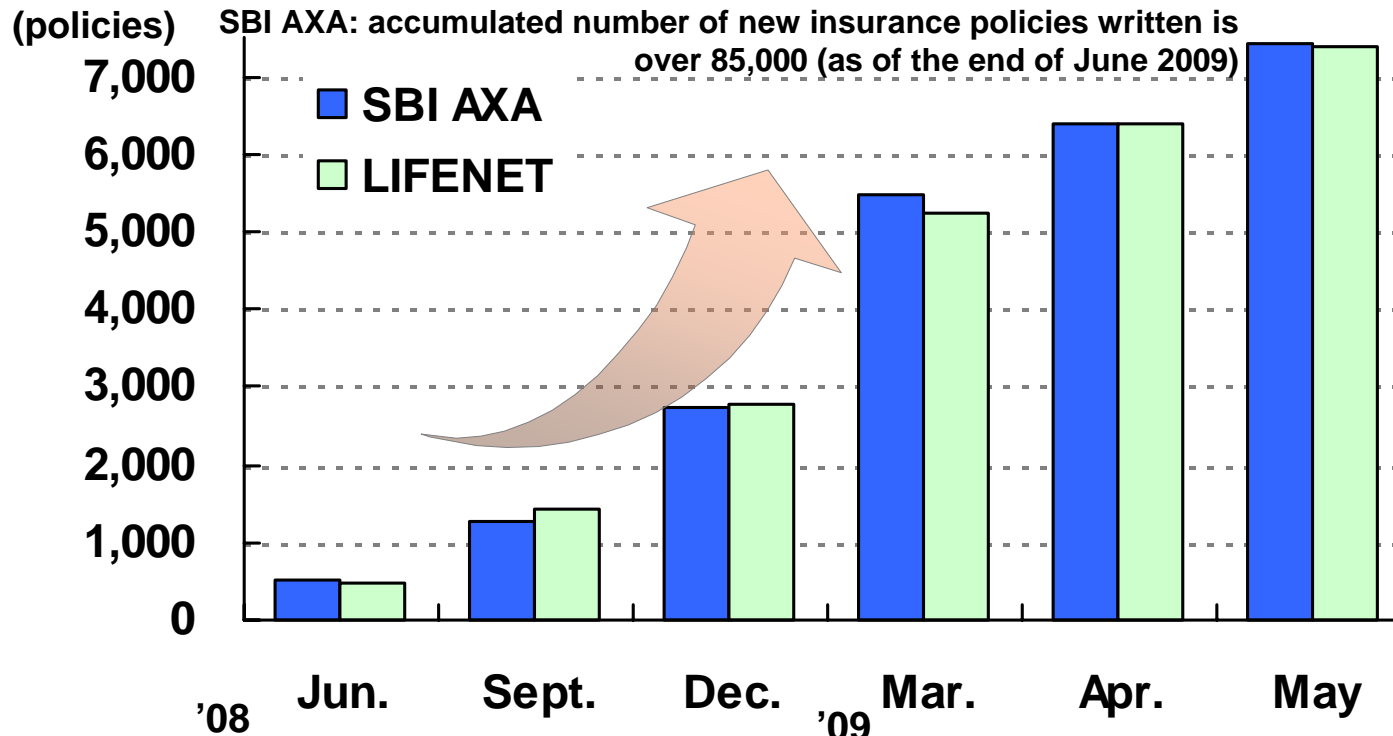
5th term: Turn a single-year profit

With the growing recognition of the availability of online insurance and the consumers' penchant for lower cost, the online insurance business is experiencing rapid growth

In March 2009, **the number of monthly average policies written jumped to approx. 1,000** (approx. 170 in the same period of the previous year) owing to new measures such as the publicity recognition and discount on policies

Accumulate number of new insurance policies of “SBI AXA” and “LIFENET”

Surpassed the average of the two leading direct insurance companies
(Zurich: 666 monthly average policies, Sompo Japan DIY: 431 monthly average policies) *



Expansion of the Sales Channel through the Integration of Online and Face-to-face Channels

- Aim to increase the number of contract utilizing the synergies within the SBIH Group-

Jun. 08~

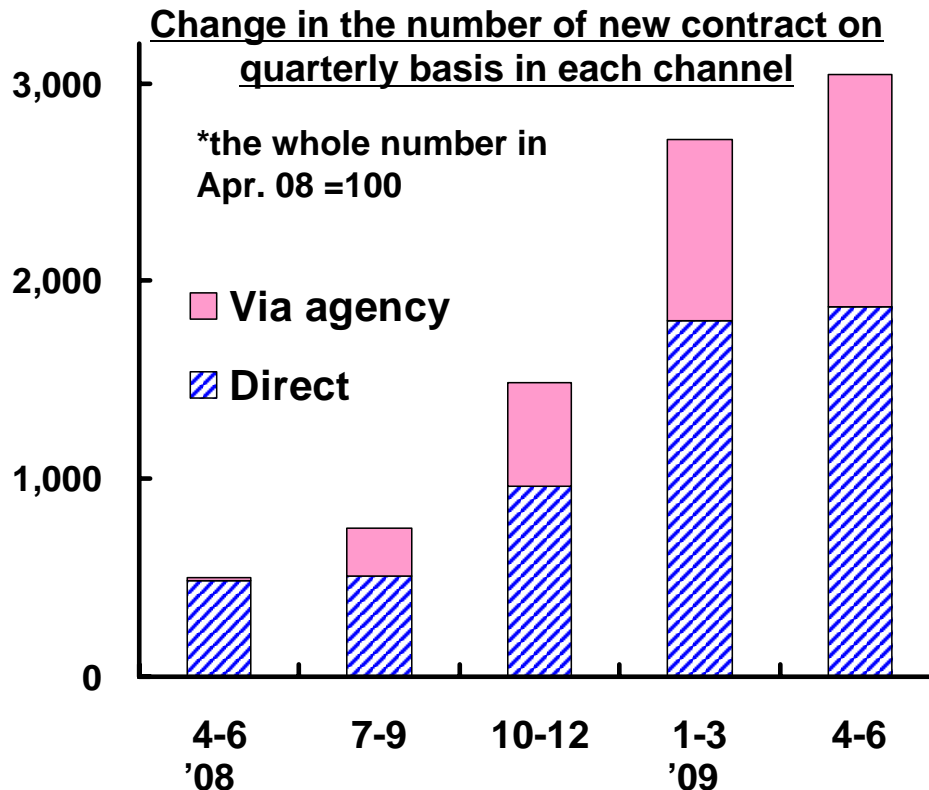
Started sales through agencies based on the Internet, adding to the original direct sales => 84 Agencies as of Jun. 30

Nov.~

Started sale of SBI AXA Life Insurance's product through SBI Sumishin Net Bank

Jun. 09~

Started sale of SBI AXA Life Insurance's product through SBI Insurance



Agency channel : shares of each SBIH Group companies

- **SBI SECURITIES: 10.4%**
- **SBI Sumishin Net Bank: 10.4%**
- **SBI Insurance: 0.8%**

(*actual achievement in 1Q FY09)

(4) Housing and Real Estate Business

Fiscal 2009 First Quarter

(Three months ended June 2009)

Operating Revenues: 5.7 billion yen (-49% YoY)

Operating Income: -0.1 billion yen (-)

Major consolidated subsidiaries and affiliated companies

- **SBI Holdings (Business Div.)**
- **SBI Life Living** (changed its corporate name from LIVING Corporation on July 1)
- **SBI Mortgage**
- **CEM Corporation**

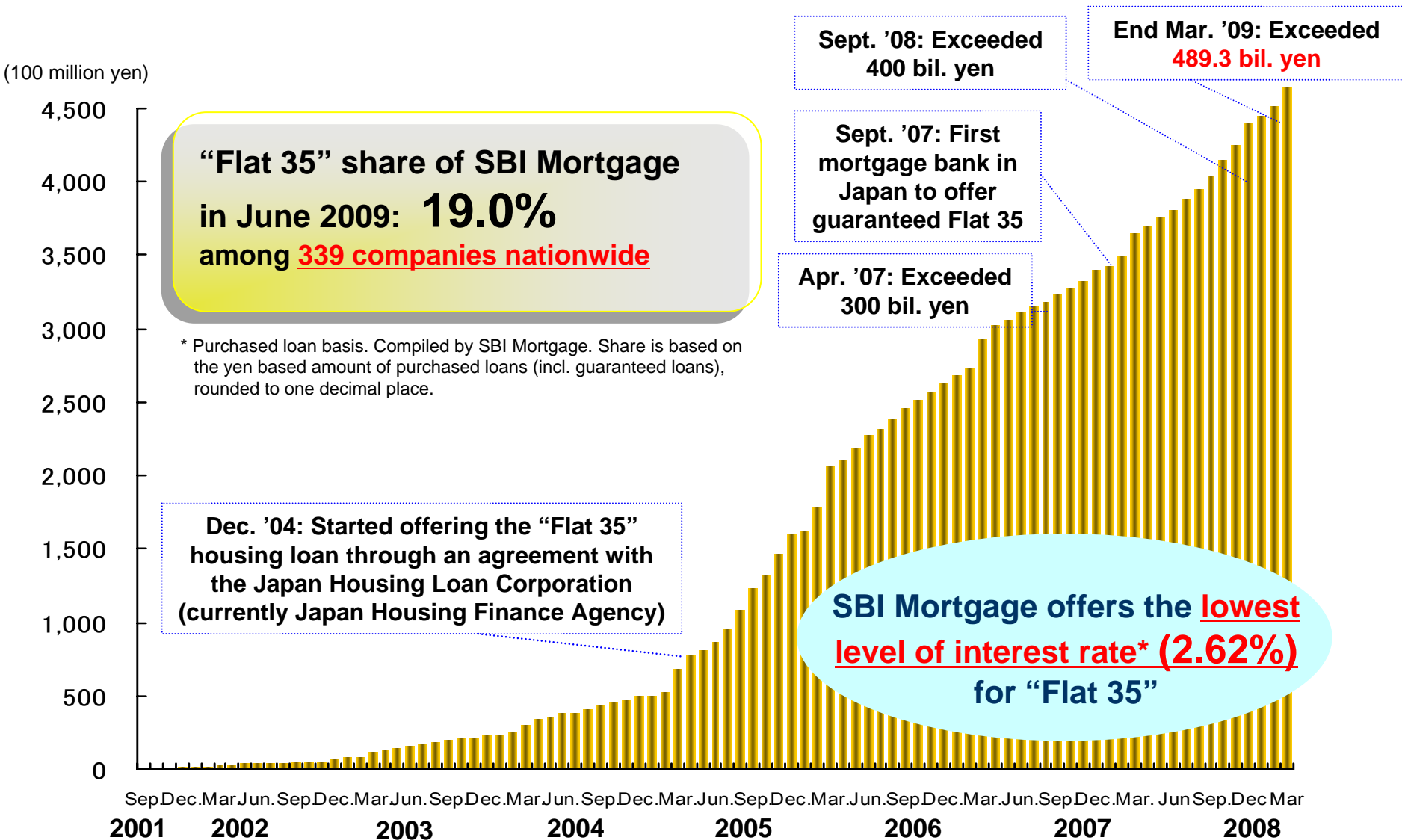
Notes:

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 **49% drop to 5.7 billion yen** in revenues from a year earlier, and an **operating deficit of 0.1 billion yen** in operating income from a year earlier, due to the delay in recording the profit of 154 mil. yen from securitization from June to July.
- II. In the real estate business, sales and profits were down sharply from a year earlier, because transactions with the real estate funds and major buyers were poor due to the adverse financial environment and the shrinking real estate market. Currently, there are a minimal number of new investments being made, with the timing of a recommencement being carefully considered.
- III. SBI Mortgage continues to offer the industry's lowest interest rate for "Flat 35", and has steadily increased its **loans outstanding to 489.3 billion yen** as of the end of June 2009.
- VI. The Lifestyle Networks Business, which operates the search/comparison and intermediary website, achieved consistent growth, as the operating income **increased 69% YoY to 144 million yen in operating income for 1Q FY2009**.
- VII. On July 1, SBI Holdings' Lifestyle Networks Business was partially merged with SBI Life Living, a consolidated subsidiary (company name was changed from "LIVING Corporation, Inc." on July 1). By combining the existing Property Development Business and Lifestyle Networks Businesses through the utilization of the Internet, SBI Life Living expects to build a diversified revenue source, which will also lead to an expansion of its business scope.

Change in Housing Loans Outstanding



(*Interest rate is the lending rate for Jul. '09 purchased loans)

SBI Mortgage Receives a Certificate of Appreciation from Japan Housing Finance Agency

“Flat 35” In terms of sales, as a result of providing competitive interest rates and broadening our choice of systems, we attained the No. 1 position among 339 financial institutions with a market share of 14.1% in FY2008. This contribution to the sales promotion of the product was highly praised.

Selling method of “Flat 35”

Nov. 2006: Started offering special contracts for indemnification coverage for eight major illnesses for the first time in Japan

Aug. 2007: Started offering the guaranteed “Flat 35”

Mar. 2008: Started the online advanced repayment service for “Flat 35” for the first time in Japan



Left picture: Seiichi Shimada, the president of Japan Housing Finance Agency (left) and Noriaki Maruyama, the representative director and COO (right)

Lifestyle Networks Business Posts Solid Growth

Topics : Part of SBIH's Lifestyle Networks Business was merged by SBI Life Living* on July 1 *changed its name from "LIVING Corporation, Inc."



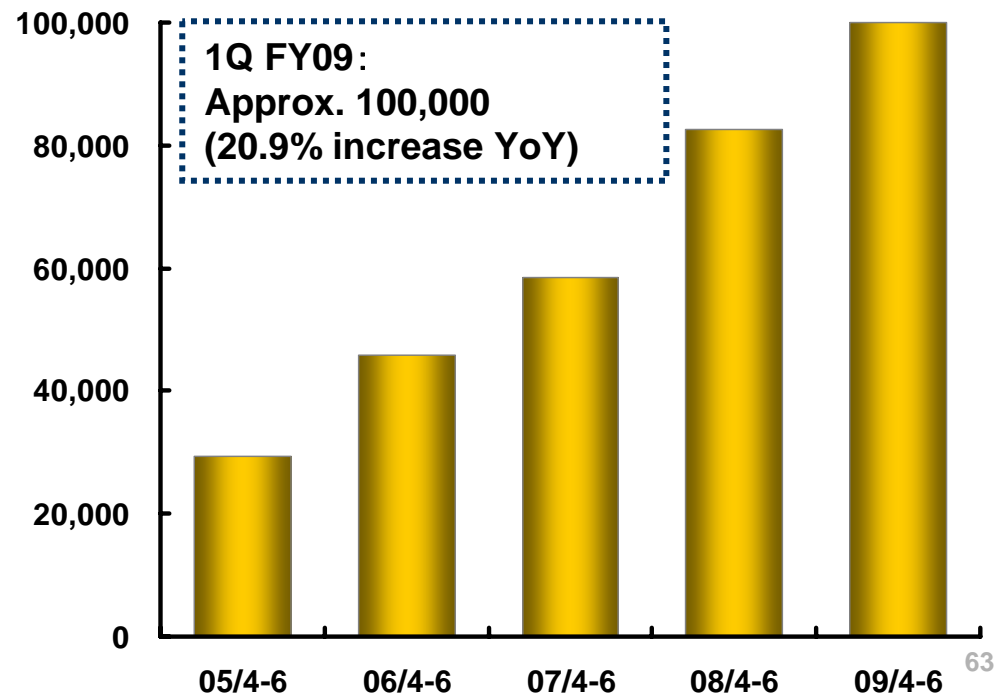
=> Through the utilization of the accumulated Internet knowledge of the SBIH Group, **SBI Life Living plans to adopt a unique business model that did not previously exist. This will allow the company a diversified revenue source, that will also lead to an expansion of its business scope**

Progress :

- The Lifestyle Networks Business, which operates a comparison website, brokerage website and estimating website, is lead by "Ticket Ryutsu Center" and "muSBI". **1Q FY09 revenues were up 28.2% YoY to 294 mil. yen, and operating income was up 69.1% to 144 mil. yen**

- The total number of the 6 websites' transaction volume was up 20.9% YoY to **approx. 100,000.**

(unit: transaction) Change in the number of transaction in the Lifestyle Networks Business (total of 6 websites)



3. Efforts to Secure Earnings in FY2009 and Expand Future Earnings

- (1) Focus on the Business Environment in FY2009 as well as on Each of Our Businesses**
- (2) Augmenting Our Selling Capabilities by Expanding Face-to-face Channels**
- (3) Further Enhancing the SBIH Group's Recognition**

(1) Focus on the Business Environment in FY2009 as well as on Each of Our Businesses

Promising Signs in the Asset Management Business

Actual and expected IPOs and M&A deals in the Asset Management Business

	From start of operations to FY2007	FY2008	FY2009 Forecast
IPOs and M&A deals	111	0	*1 12

Two of 12 planned IPOs and M&As already completed M&A,
and one completed IPO application process

June 23 GCL Silicon (*1)

June 30 China Cord Blood Services Corporation (旧China Stem Cells)

July 29 BBMG (*1)

Note 1: includes 5 portfolio companies of New Horizon Capital, in which SBIH invests as a limited partner

Note 2: 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.

Recent Domestic Post-IPO Stock Price Trends Benefiting the Asset Management Business

- Trend of recent IPO stock prices surpassing subscription prices -

Companies which made IPO in 3Q FY2008

Date of IPO	Company	Public offering price (A)	Initial price	Closing price on July 28 (B)	B/A (times)
Oct. 7	Mediscience planning	1, 100	1, 210	1, 316	1. 20
Oct. 27	Linical	1, 000	610	1, 085	1. 09
Oct. 28	Cross Marketing	590	580	431	0. 73
Oct. 30	DSK	850	790	732	0. 86
Nov. 5	NAIGAI TRANS LINE	1, 200	1, 116	1, 260	1. 05
Nov. 6	Asaka Riken	800	750	561	0. 70
Nov. 7	Owill	450	418	550	1. 22
Nov. 11	Hulic	470	425	499	1. 06
Dec. 4	CMC	1, 900	1, 540	2, 560	1. 35
Dec. 8	SDS Biotech	750	693	1, 202	1. 60
Dec. 9	Radishbo-ya	600	600	670	1. 12
Dec. 10	HOSHIZAKI CO	750	705	1, 147	1. 53
Dec. 12	Sobal Corporation	600	640	933	1. 56
Dec. 16	SHOEI CORPORATION	225	236	200	0. 89
Dec 17	LIC	330	330	207	0. 63
Dec. 17	GREE	3, 300	5, 000	6, 860	2. 08
Dec. 19	paterboy&co	1, 900	4, 000	2, 450	1. 29
Ave.					1. 17

Companies which made IPO on and after March 2009

Date of IPO	Company	Public offering price (A)	Initial price	Closing price on July 28 (B)	B/A (times)
3/12	Daiken Medical	1, 150	1, 150	1, 895	1. 65
3/13	ub-energy	950	2, 000	1, 401	1. 47
3/16	ODAWARA AUTO-MACHINE MFG.CO	1, 800	1, 680	1, 703	0. 95
3/17	JCL Bioassey	600	630	1, 278	2. 13
3/18	Taiko Pharmaceutical	2, 000	2, 120	* 7, 260	3. 63
3/26	Terra	310	300	1, 767	5. 70
4/2	SOCKETS	4, 400	8, 000	7, 070	1. 61
6/23	Jowa Holdings	1, 720	1, 760	1, 451	0. 84
6/25	Yashima denki	250	550	420	1. 68
7/17	Cookpad	9, 500	19, 100	23, 800	2. 51
Average					2. 22

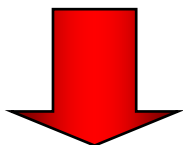
With the recovery of interest in IPO issues, the percentage gain of the recent closing prices versus the issue price of such IPOs have outperformed those of a year ago.

A great opportunity for the Asset Management Business, which has funds such as the SBI Broadband Fund No. 1 that are now realizing gains on previous investments.

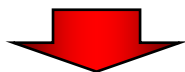
*calculated with adjustment of a stock split from one to two.

Normalization of IPO Market which is Expected in the Near Future will be a Favorable Wind for SBI SECURITIES

Increase in the number of
IPO companies along with
the market recovery



Increase in the number of IPO
underwriting



- Increase in profit from underwriting related business
- Acquisition of new customers who are interested in IPO stocks

Ranking of IPO underwriting in FY 2007 among a total of 99 IPOs in Japan (April 2007- March 2008)

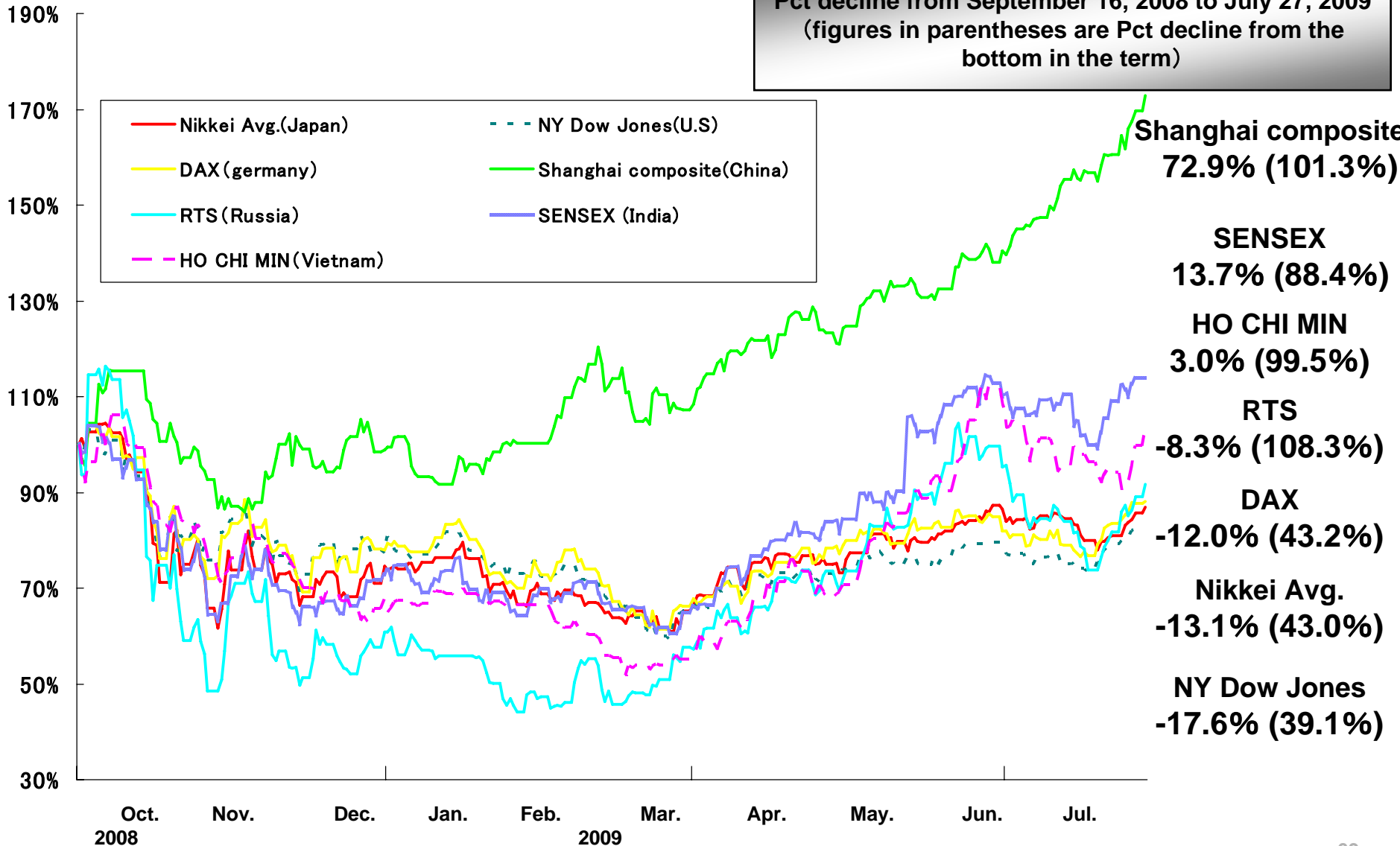
**Number one ranked among
all securities companies**

rank	Securities companies	Under-writings	Participation Ratio (%)
1	<u>SBI SECURITIES</u>	<u>58</u>	<u>58.6</u>
1	Mitsubishi UFJ Sec.	58	58.6
3	Daiwa SMBC	54	54.5
4	Nomura Sec.	53	53.5
5	Shinko Sec.	52	52.5
6	Mizuho Investors Sec.	40	40.4
7	Nikko Citigroup	36	36.4

Note: The data was obtained, to the extent possible, from public documents by SBI.
Data was collected from Apr. 2007 until Mar. 2008 for domestic underwriting of
99 companies (listing date base) undergoing an IPO, not including secondary
offerings

The company names are as of those in Mar.'08, except for SBI SECURITIES₆₈

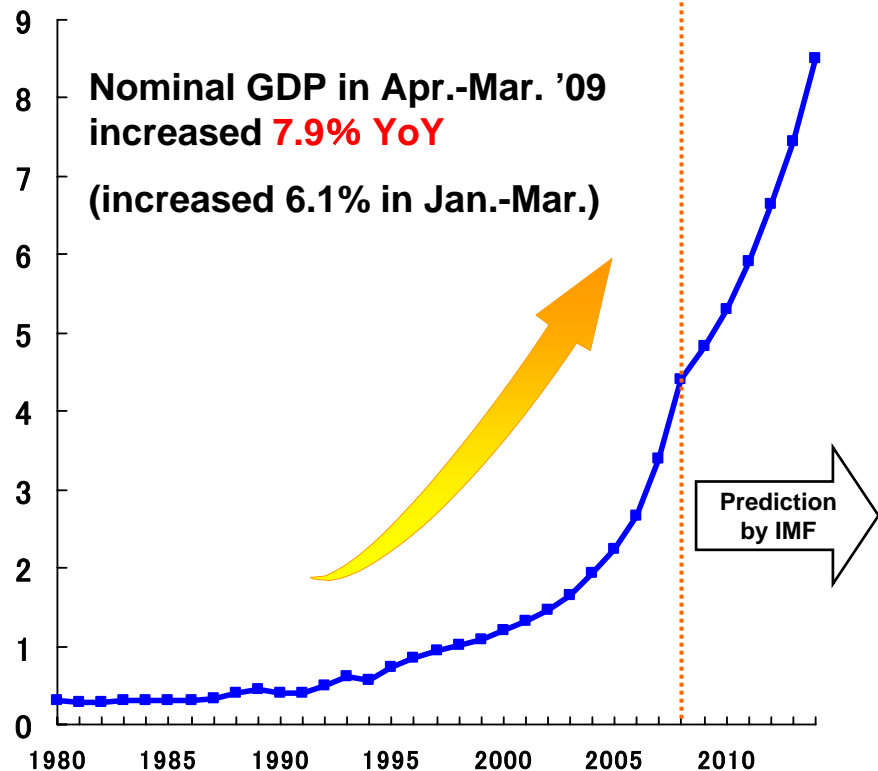
Change in Major Global Stock Market Indices After “Lehman Shock” (September 16, 2008- July 27, 2009)



Chinese Stock Market is Expected to Achieve Continued Growth

Growth of China's Nominal GDP

(Trillion USD) (1980-2014)

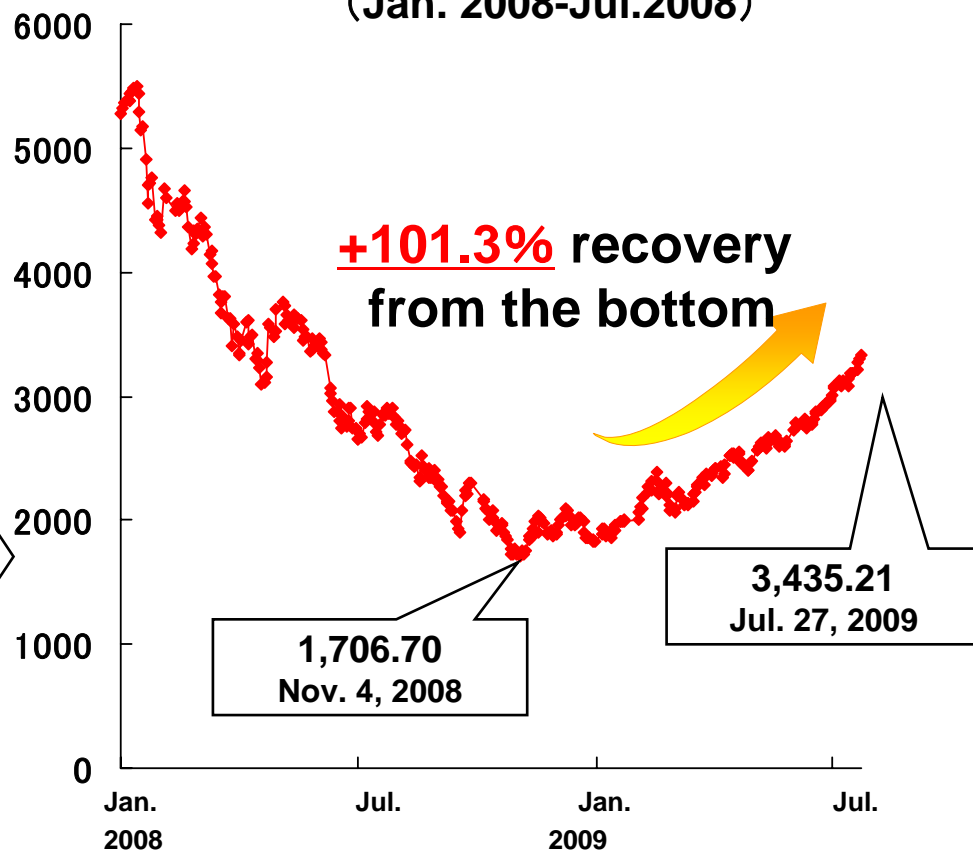


*Source: Data disclosed by IMF

*Data after 2009 is predicted by IMF in April 2009

Change in Shanghai composite

(Jan. 2008-Jul.2008)



*Source: Bloomberg

The IMF predicts that in 2009, China will become **"the second largest economy", exceeding Japan in terms of Nominal GDP.**

Shanghai composite shows **a steady ascension** from the bottom of Nov. 4, 2008

Performance of New Horizon Fund

- Seven of the 10 companies are now public since its launch in May 2005
- **1.1 billion yen** of operating income was recorded through the sales of a portion of its portfolio in 1Q FY09
- Accumulated total operating income was **8.8 billion yen** from the beginning through June '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 4Q FY08

Portfolio companies	Investment	Category	IPO / M&A (planned)	Capital Gain			(Unit: million US\$)
				End Mar.08	End Mar. 09	As of Jul. 28	
Sichuan Meifeng Chemical Industry	11.2	A-Class share		63.7	26.4	34.0	IPO'd (market value)
Changsha Zoomlion Heavy Industry Science & Technology Development	4.4	A-Class share		144.6	66.6	64.0	
China Printing & Dyeing Holding	-	IPO		0.2	-	※1 -	
Yingli Green Energy Holding	-	IPO		4.5	-	-	
Kingsoft	-	IPO		2.3	4.4	-	
Goldwind Science and Technology	0.5	A-Class share		124.9	29.9	15.5	
China Cord Blood Corporation	4.1	IPO		17.6	17.6	12.0	
Jiangsu Ealong Biotech	2.5	Pre-M&A	2010	5.6	5.6	5.6	Pre-IPO/M&A (estimated value)
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	55.1			457.5	244.6	225.2	

bil. yen (approx.): (45.8) (24.0) (21.4)

【Received Dividend】 ※2 (Unit: billion yen) → 【Estimated Dividend after 2Q FY2009】 (as of July 28, 2009)

Foundation – FY2007	FY2008	FY2009 1Q	FY2009 2-4Q	FY2010	FY2011	Total Estimated Dividend after FY09 2Q
0.9	6.1	1.6	6.5	2.8	3.2	12.5

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

*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.

"New Horizon Capital", the second Fund, is Also Expected to Perform Exceptionally Well

Of the 14 companies in the New Horizon Capital portfolio, 1 has already exited via a merger deal. 6 other companies are planning to go public, or to be merged in this or the next fiscal year.

Already Exited: 1 company

Company name	IPO / M&A	Date
GCL	M&A	June 23, 2009

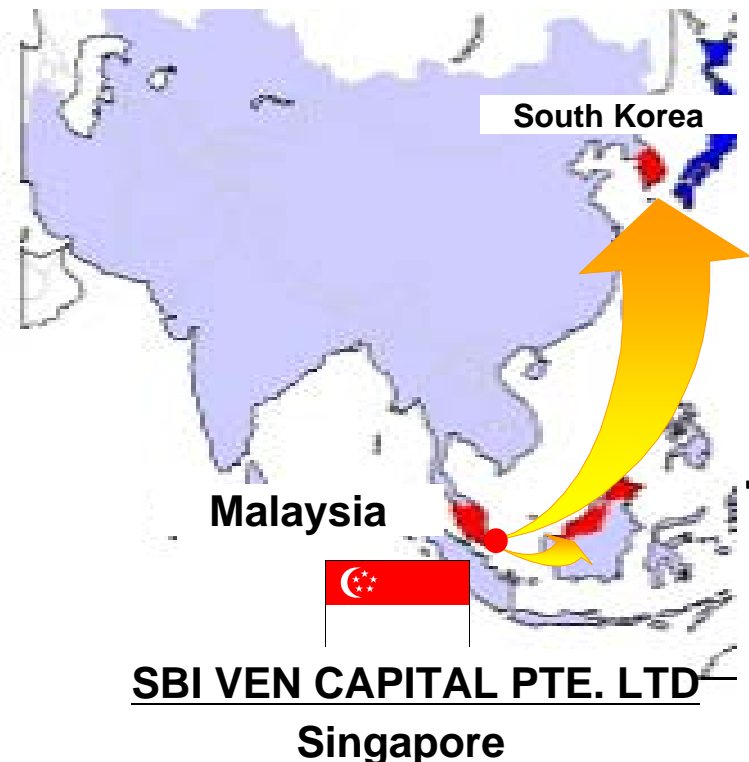
Planned to Exit: 6 companies

* Below are the estimation as of July 28,
and are subject to change over time

Company name	IPO / M&A (planned)	Date (planned)
BBMG	IPO	July 29, 2009
New Century	M&A	Later 2009
Meihua	M&A	2009
Navinfo	IPO	Earlier 2010
YuHeng	IPO	Later 2010
Rong Sheng	M&A	2010

Progress of the New JV Funds Established with Prominent Foreign Companies

In June '09, announced the alliance with the Malaysian governmental investment management company



- **Malaysia:** On June 8, reached a final contract to establish a JV fund with PNB Equity, a wholly owned subsidiary of Permodalan Nasional Berhad (a Malaysian governmental investment management company).



- Target: Prominent companies in ASEAN countries, India and China
- Investment Amount: 50 mil. USD
- SBIH's investment ratio: 50%

- **South Korea:** In June '09, assigned and approved as a co-operator of the Investment fund (with at least 100 bil. KRW) established by the South Korean government. Currently petitioning for additional funds to establish in Sept.



- In Aug. '09, plan to set up a new target fund (with 50 bil. KRW) to invest in a savings bank

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



▪ **Cambodia:** [Phnom Penh Commercial Bank](#), which was launched in September 2008, [recovered a cumulative loss for the fiscal year starting Jan. 2009, and became profitable for the fiscal year](#) in April 2009.



▪ **Vietnam:** On July 23, [20% investment in a Vietnamese bank](#) was approved by a local supervisory authority, and expect to finish payment during the mid-August.



▪ **India:** Negotiating to [establish a securities company in India](#) as a joint venture with an Indian financial institution



▪ **Russia:** Under due diligence of an [investment in a Russian bank](#), an affiliate bank of IFC METROPOL, which is SBIH's business partner in Russia



Steady Progress in the Bio-related Businesses

SBI Biotech

Novel nucleotide project through an alliance with Changchun Huapu Biotechnology in China is plans to start clinical phase I test for the first time as SBI Biotech.

SBI ALApromo

In June 2009, established ALApharna GmbH for pharmaceutical R&D in Europe jointly with medac GmbH. Preparing to sell a new product following handcream, etc.

Quark Pharmaceuticals (Shareholding ratio of the SBI Group: 24.87%)

On July 27, released the experiment data indicating that siRNA drug candidate “QPI-1007”, which was developed in collaboration with BioSpring GmbH, has the potential to treat patients with glaucoma.

Impact of Lowering Commissions to SBI SECURITIES (1)

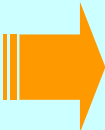
Commissions are estimated to be reduced by up to 26.5% for all trades executed from August 3 (plan) from the current commissions

<Ordinary trades> Standard plan

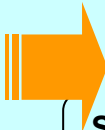
Commission per order	<u>New Commissions</u>	<u>Current Commissions</u>
- 100,000 yen	147 yen	200 yen
100,000 yen– 200,000 yen	196 yen	250 yen
200,000 yen- 500,000 yen	362 yen	450 yen
500,000 yen – 1 million yen	647 yen	800 yen
1 milllion yen – 1.5 million yen	774 yen	950 yen
1.5 milllion yen – 30 million yen	1,225 yen	1,500 yen
30 million yen -	1,294 yen	1,575 yen

Envisaged change in basis by the reduction

FY2008
3.1 basis



1Q FY2009
3.7 basis



Assumption
3.3 basis

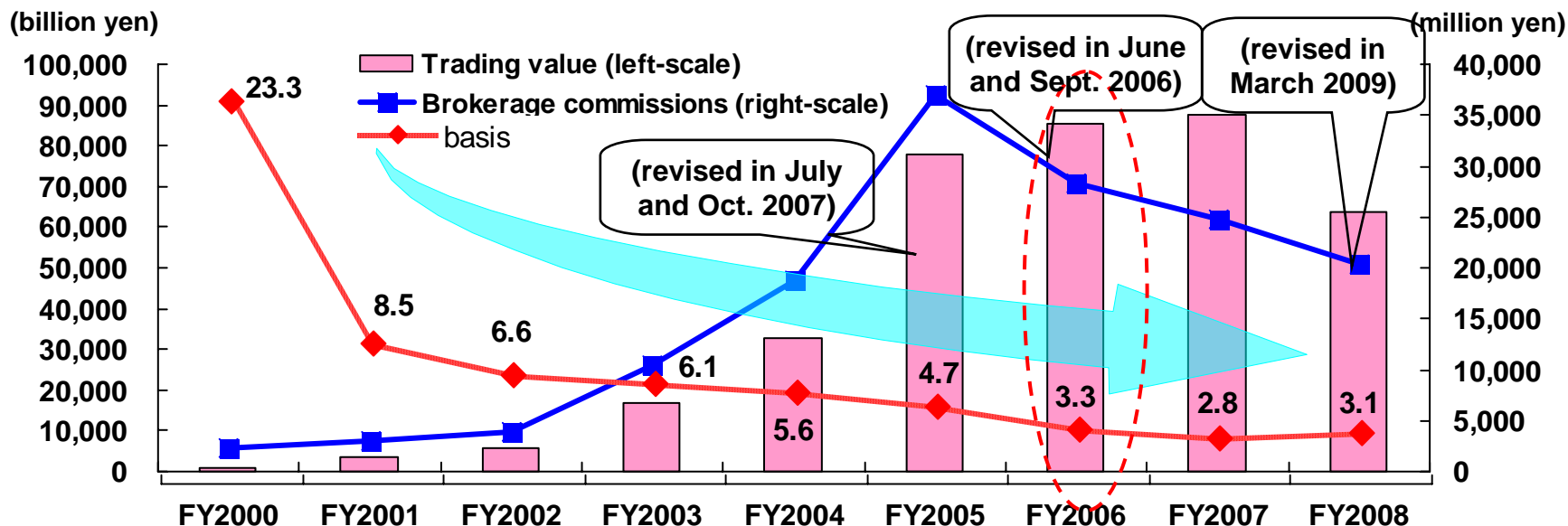
Simulation of lowering commissions based on the sales performance in June '09.

*Basis are for trades through the Internet only

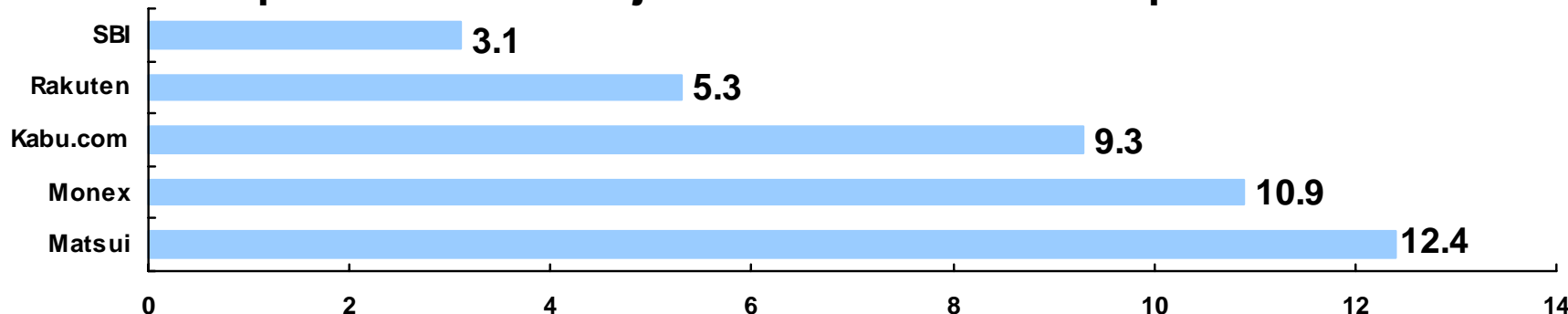
Expansion of Trading Value with the Lowest Commissions in the Industry

Brokerage trading value is expected to increase as the result of lowered commissions.

Change in trading value, brokerage commissions, and basis of SBI SECURITIES



Basis comparison of five major online securities companies in FY 2008



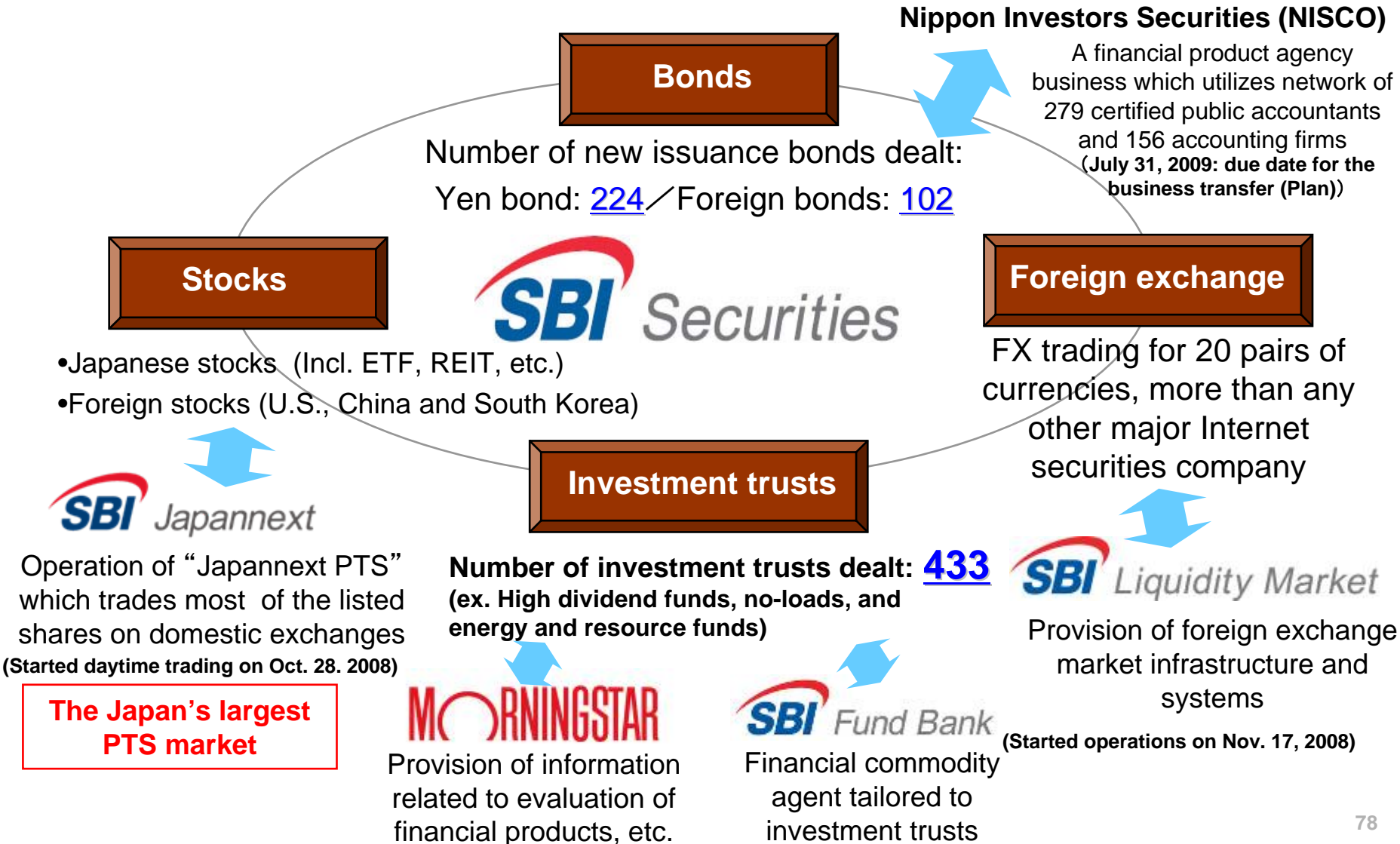
Source: Based on company materials and monthly announcements.

Brokerage commissions use non-consolidated data.

SBI SECURITIES includes only trades through Internet

Advantage for Brokerage Related Content within the Group

Plan to maximize SBI SECURITIES' profits through the utilization of brokerage related content within the Group

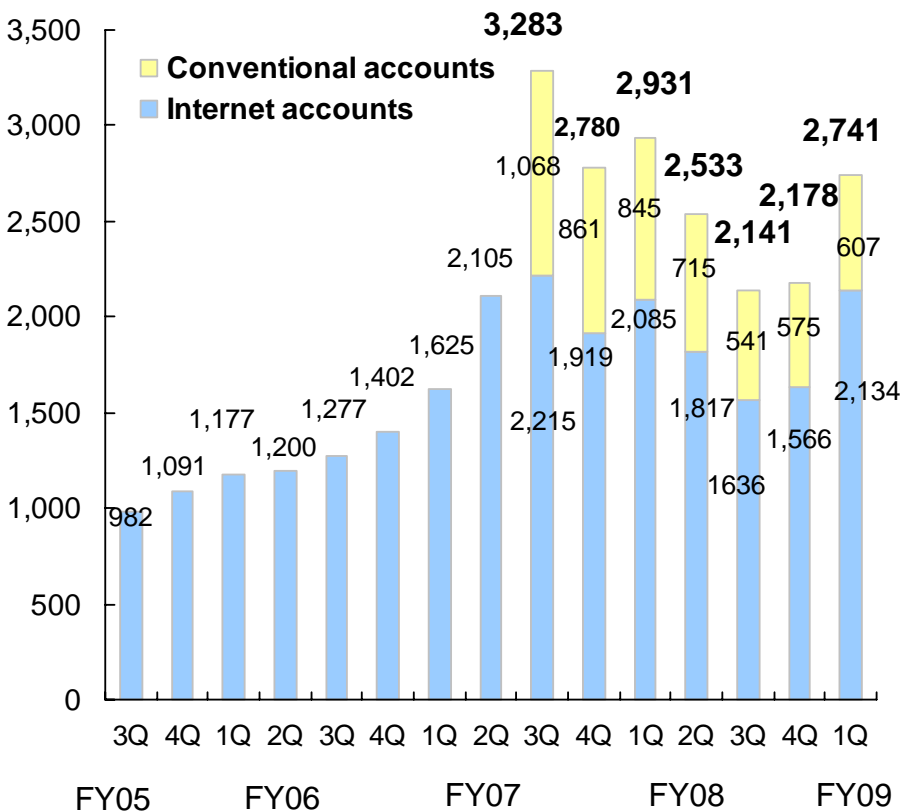


Diversified Revenue Source by Providing Various Services

Investment trust assets declined, but ETF assets continued to grow

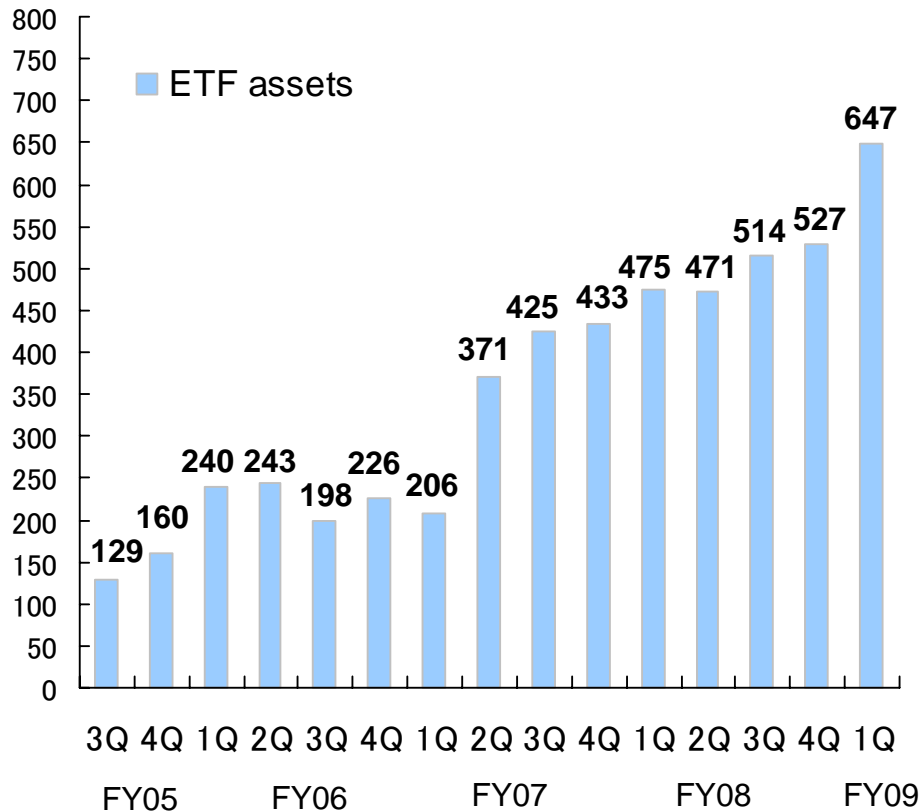
Investment trusts
Growth in quarterly assets

(100 mil. yen)



ETFs
Growth in quarterly assets

(100 mil. yen)



*Note: Includes MMF, China fund, and conventional accounts.

Liquidity Improvement in SBI Liquidity Market Leads to an Increase in Profitability

Number of FX accounts

	FY2008		FY2009
	3Q	4Q	1Q
Number of accounts (SBI FX α)	93,498	115,783	124,435

Increase in the number of
connected companies

+

SBI Sumishin Net
Bank
Financial
Institutions outside
the Group, etc.

Earnings Contribution of SBI Liquidity Market

(million yen)

	FY2008		FY2009
	3Q ^{*1}	4Q	1Q
Operating Revenue	552	2,348	<u>2,822</u>
Incl. gain on trading of SBI SECURITIES (Operating Income for SBI SECURITIES)	346	1,486	<u>1,791</u>
Operating Income	114	732	<u>8,65</u>

Improvement in
Liquidity

Further Increase in
Profits

*1. 1.5 months from the start of operations

81

Further Growth Potential of SBI Mortgage

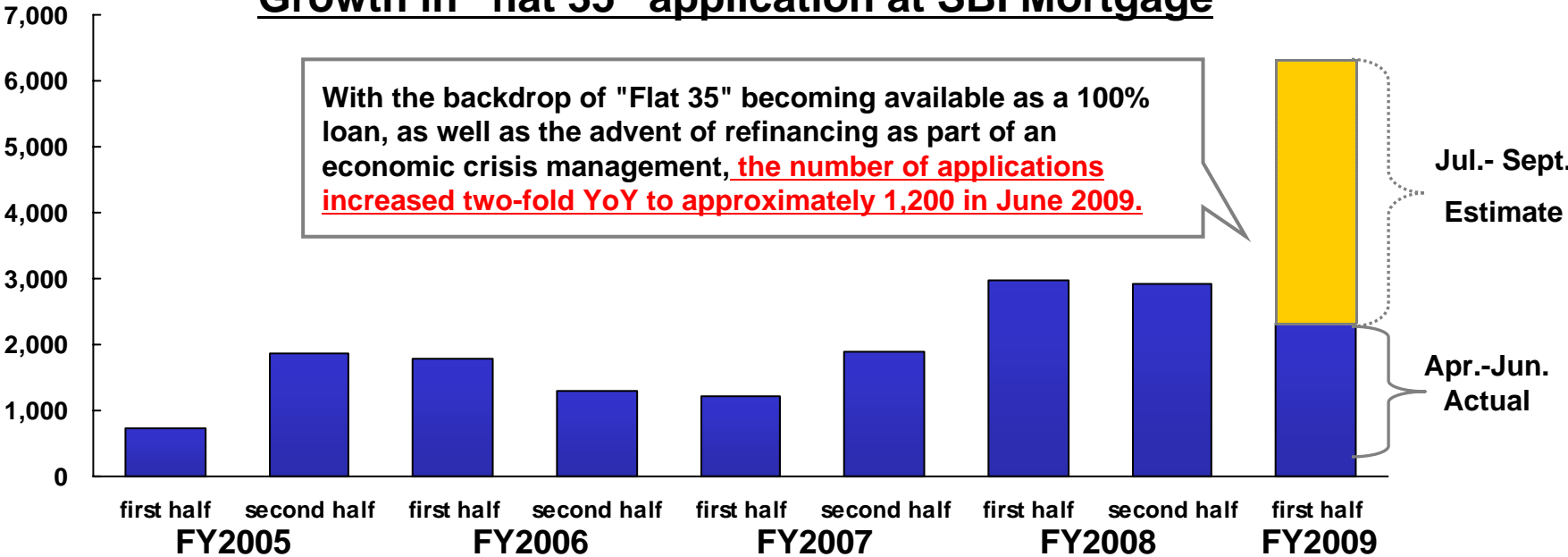
SBI Mortgage’s performance for FY2009 (actual and estimate) (Unit: mil. yen)

	Actual	Estimate	
	1Q	full year	YoY change
Operating revenues	924	5,908	+12.2
Ordinary income	37	1,509	+25.3

Although operating income underperformed the forecast for 1Q, owing to the delay of the securitization, which led to a profit of 154 mil. yen until July 3, full year performance is on the path to outperform the full year forecast.

(applications)

Growth in “flat 35” application at SBI Mortgage



*The figures above are estimates, and are subject to change without notice 82

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

Merging a wholly owned subsidiary

SBI Futures

As the domestic commodity futures market continues to shrink and the business environment continues to dampen, SBIH will discontinue its commodity trading brokerage business on July 31, '09 (plan), and will merge SBI Futures, a wholly owned subsidiary through a stock exchange on August 1, '09 (planned effective date).

Sales

SBI Card Processing

Separated the card processing business due to its insignificance in the SBIH Group's business portfolio, and currently in the final phases of negotiation of its sale to a system vendor

Integration to achieve business efficiency

SBI Card

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

SBI Intechstra

Options are currently under consideration to achieve business efficiency

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

Transfer of business segment to an environment with higher growth potential

SBI Equal Credit

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

SBI VEN CAPITAL (Singapore)

In discussion to make the Company a joint venture with a promising foreign investment company, with plans to further expand the worldwide investment business

Start of new business as a source of new growth

SBI Prosper

Launch full preparations toward entering social lending (P2P lending marketplace) business (its outstanding loan balance is approx. 500 mil. USD in the U.S. market)

(2) Augmenting Our Selling Capabilities by Expanding Face-to-face Channels

Full-Scale Progress to the Real Channel by the Development of SBI Money Plaza

Planning to **open one hundred shops** mainly through franchise owners of the Housing Loan shop
SBIH Group's existing shops

SBI housing loan shop (**41 shops**)

SBI SECURITIES branch (**23 branches**)

On July 6, SBI SECURITIES made Real Marketing Shop, which operates 6 “SBI housing loan shops”, a wholly owned subsidiary

On July 1, opened the first “SBI housing loan shop/ SBI Money Plaza” in Kashiwa-city, Chiba.

Develop a financial one stop service, which handles various financial products both within and outside of the SBIH Group

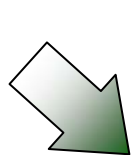
Many of the franchise owners were originally insurance agents



Offering Auto-related Financial Services to “Real Channel ” with Utilizing SBI Auto Support



- Runs 3 domestic auction websites
- Registered companies: more than 15,000
- Annual number of cars listed: approx. 700,000



30%



70%



“SBI Auto Support”

**Started operation
on Oct. 14, 2008**

Provide customers to get financial services through used car dealers.

【Auto-related financial services】

SBI損保

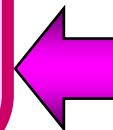
“Auto Insurance”

住信SBIネット銀行

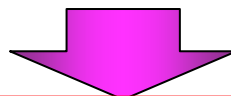
SBI Sumishin Net Bank

“Auto Loan”

Planning to start service
at the end of July 27



The number of registered
preowned auto
companies : **1,317***



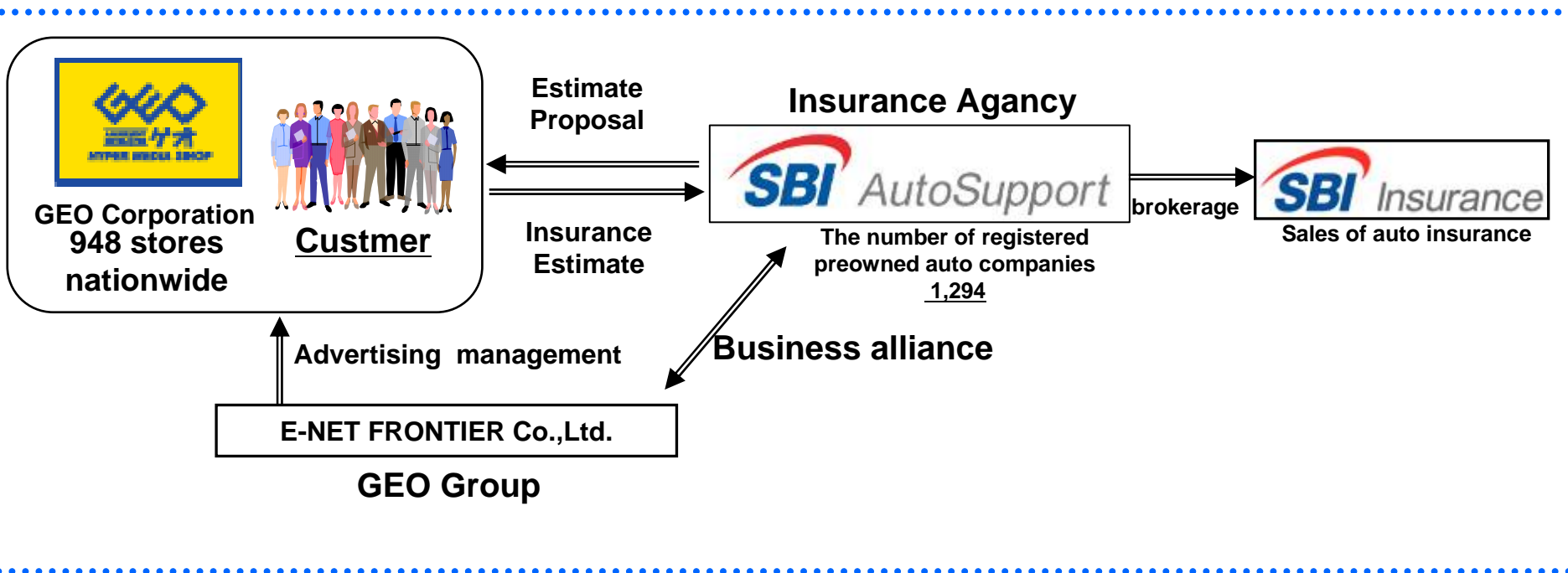
Purchasers of used cars



Expansion of Real Channels through a Business Tie-up with Video and DVD Rental Giant “GEO Group”

First Move: Tie-up through promotions aimed at mutually held members of “SBI Auto Support”

=> From July, automobile insurance will be offered and applications will be received at GEO branches. Initially, ads will be placed at 350 branches and a gradual increase is planned.



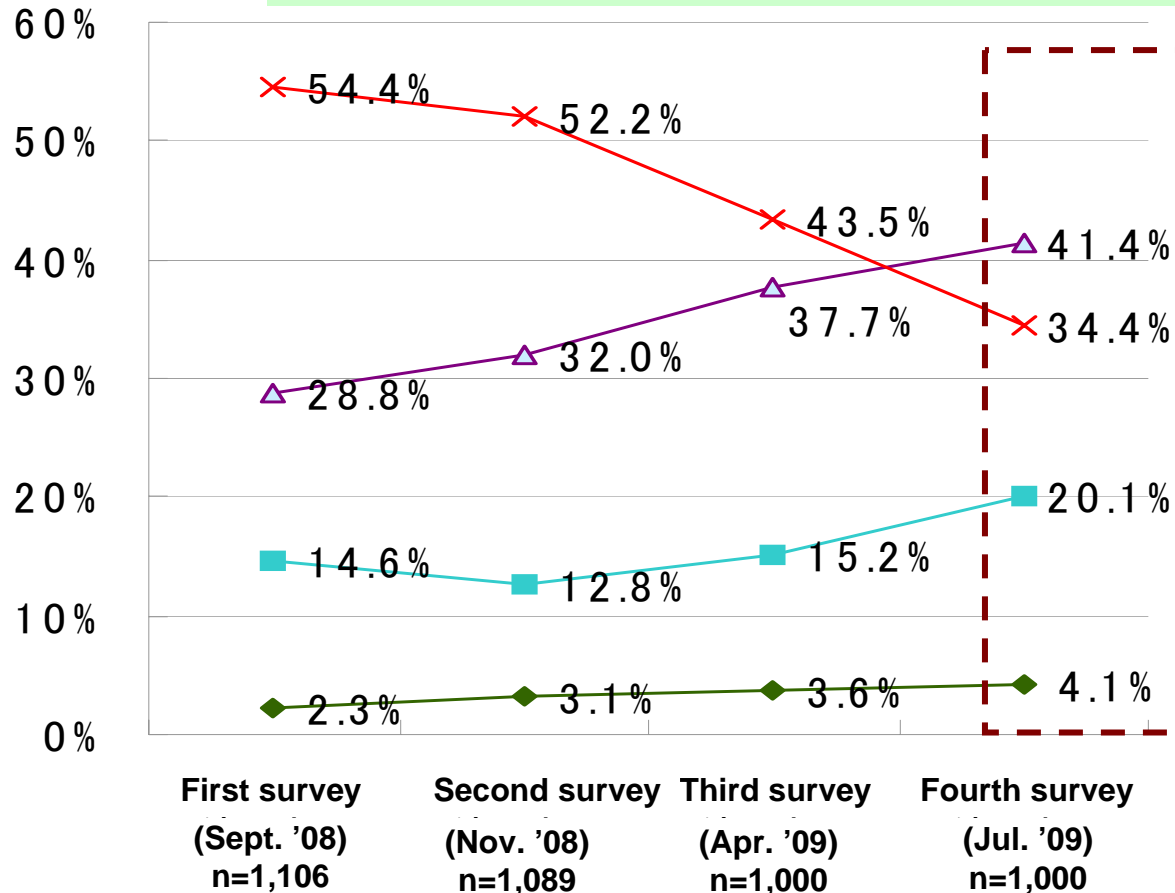
In the future, we plan to expand the tie-up between the SBIH Group and GEO Group in other business segments as well

(3) Further Enhancing the SBIH Group's Recognition

Growing Visibility of the SBIH Group

◆ Do you know “the SBIH Group”?

45.7% → 47.9% → 56.5% → 65.6%
(+2.2 pt.) (+8.6 pt.) (+9.1 pt.)



※ Visibility of the SBIH Group is growing

(①+②+③)

③ Have heard of the name

④ Never heard of

② Know pretty much

① Know in detail

Survey method: online surveys utilizing “goo research”

Survey period: the first (from Sept. 9 to 11, 2008), the second (from Nov. 26 to 28, 2008), the third (Apr. 13 to 16, 2008), the fourth (Jul. 1 to 3, 2009)

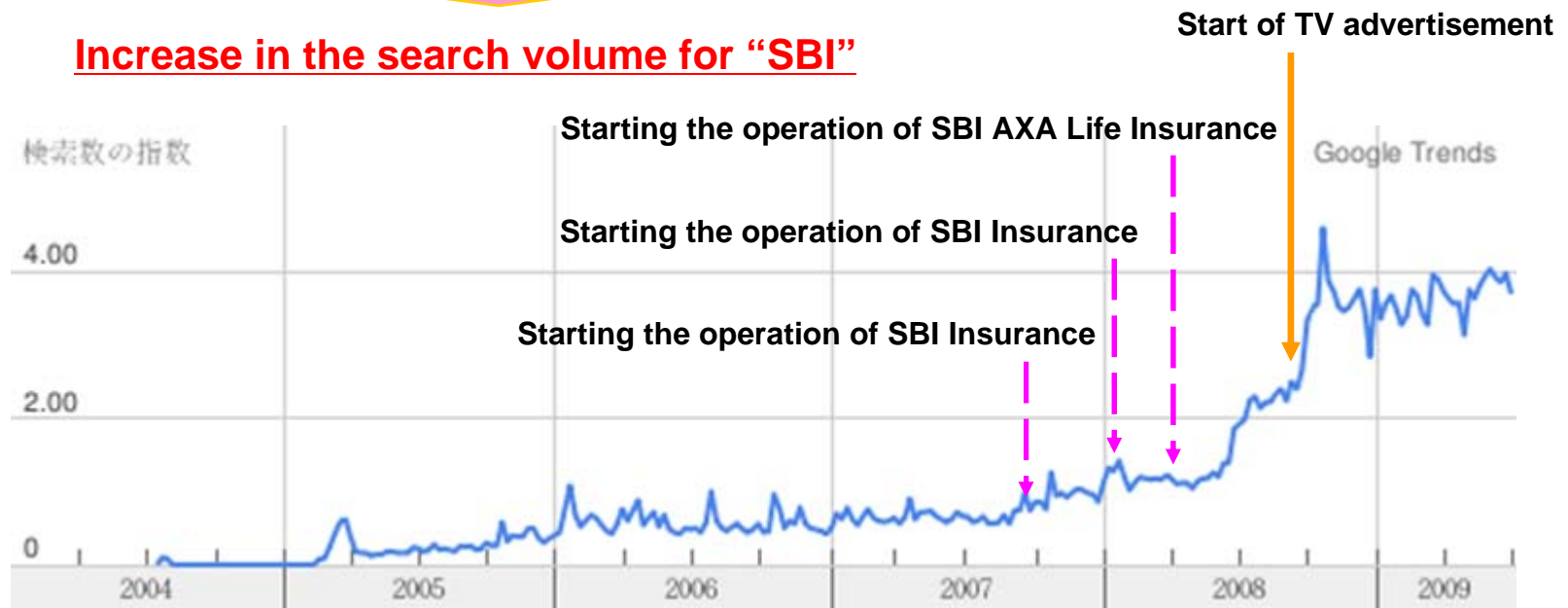
Search Volume for "SBI" has Dramatically Increased in the Second Half of Last Year

Background:

- The completion of an internet-based financial ecosystem rendered possible the provision of various financial services by the SBIH Group.
- Economic conditions rendered unstable by the financial crisis has led to increased savings and a greater need for low cost financial services.
- Mass media ad campaign mainly on TV extended our reach to groups who had not heard of "SBI" in the past.



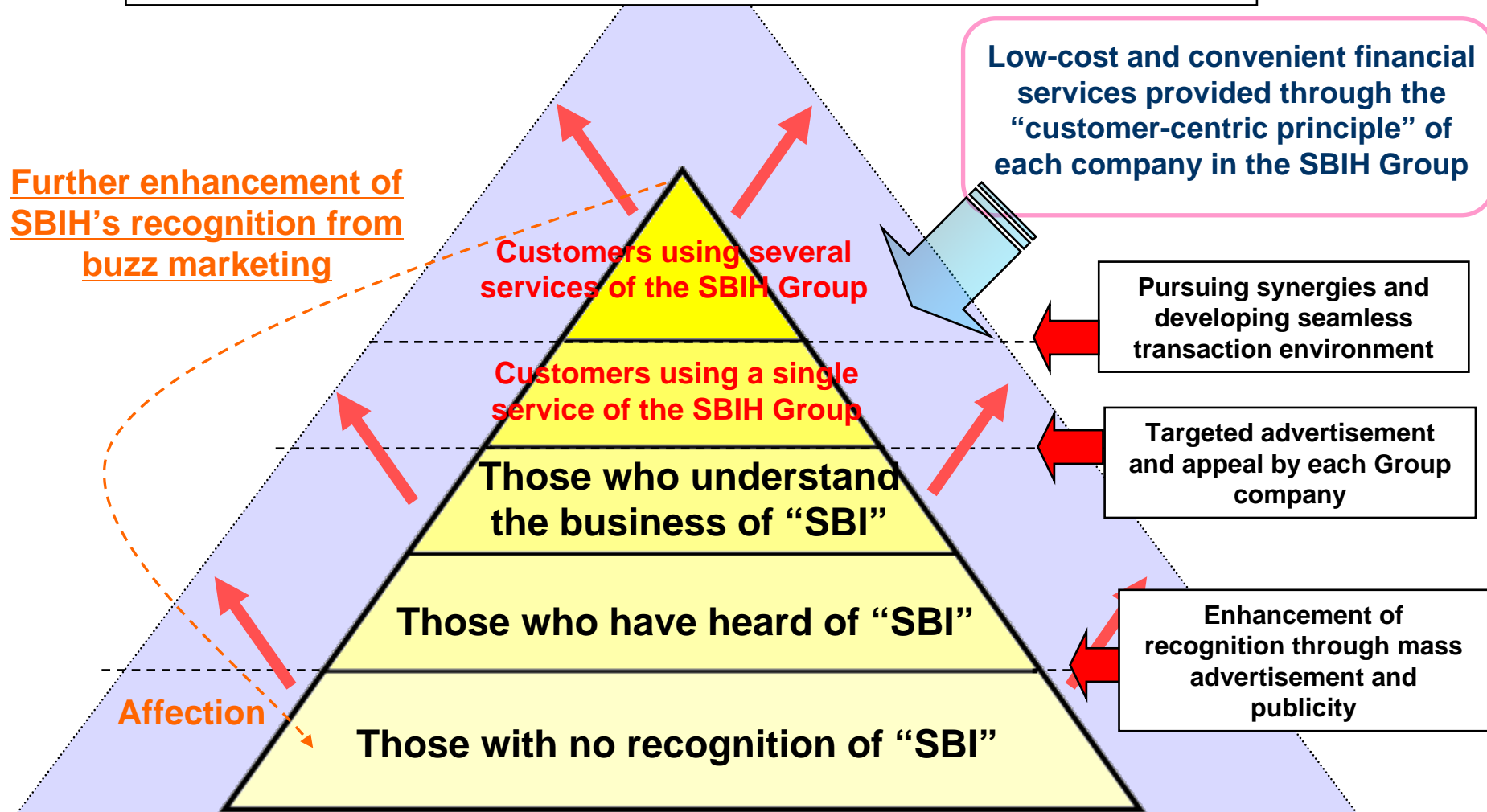
Increase in the search volume for "SBI"



(Reference: Google Trends)

Further Expansion of SBIH's Customer Base based on a Wider Name Recognition

Further expansion of SBIH's customer base based on a wider name recognition

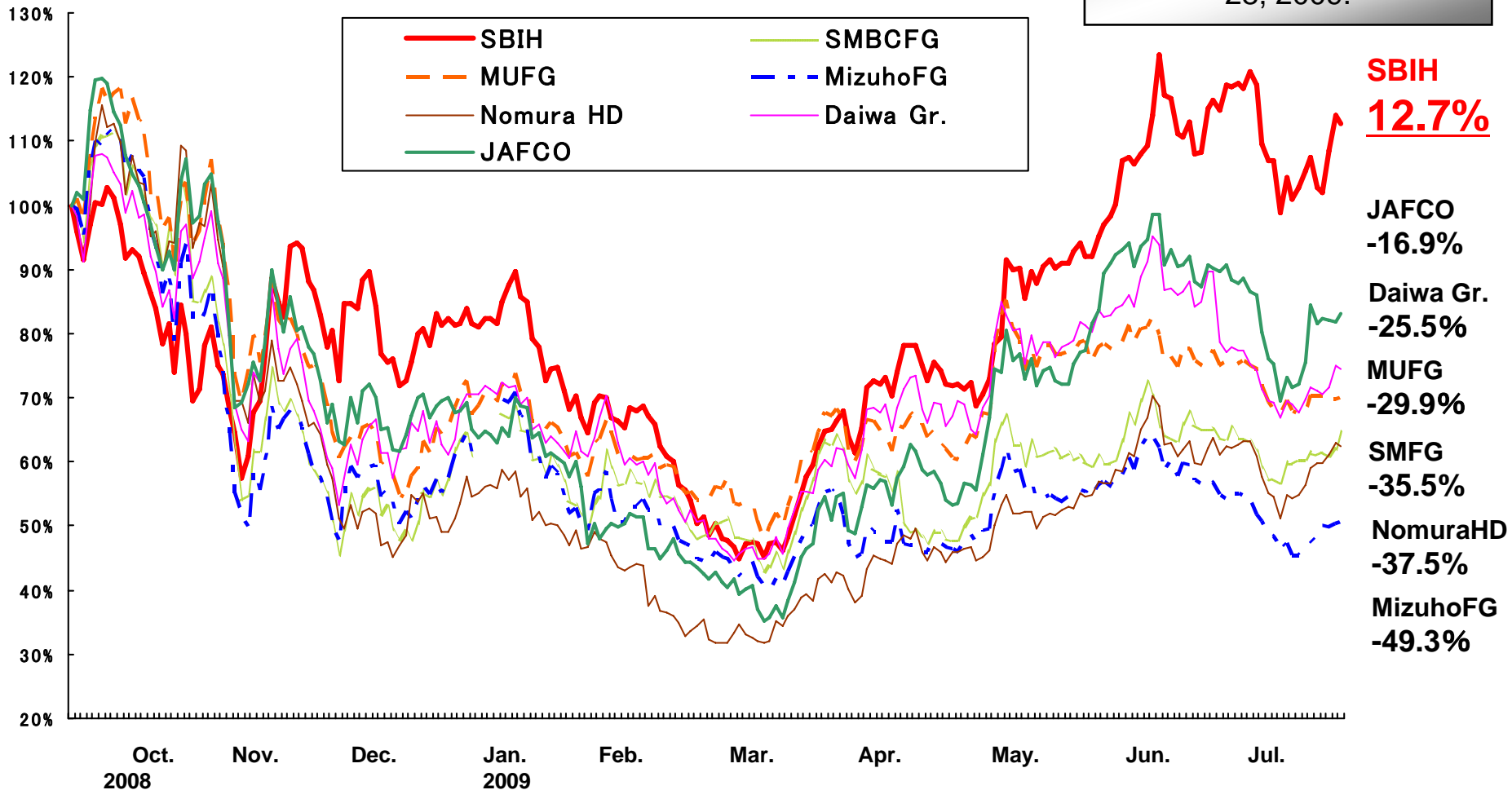


[Reference: Stock Price Information]

Comparison of Stock Fluctuations of SBIH and Other Financial Firms after “Lehman Shock”

(September 16, 2009 – July 28, 2009)

Pct decline from
September 16, 2008 to Jul.
28, 2009.



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