



*Strategic
Business
Innovator*

SBI Holdings, Inc. 2011 Information Meeting

May 31 Nagoya

June 2 Tokyo

June 6 Osaka

The items in this document are provided as information related to the business strategy of the SBI Group companies and not as an invitation to invest in the stock or securities issued by each company.

None of the Group companies guarantees the completeness of this document in terms of information and future business strategy.

The content of this document is subject to revision or cancellation without warning.

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

- 1. Summary of FY2010**
- 2. Four Major Challenges for Corporate Strategy**
- 3. Q&A**

1. Summary of FY2010

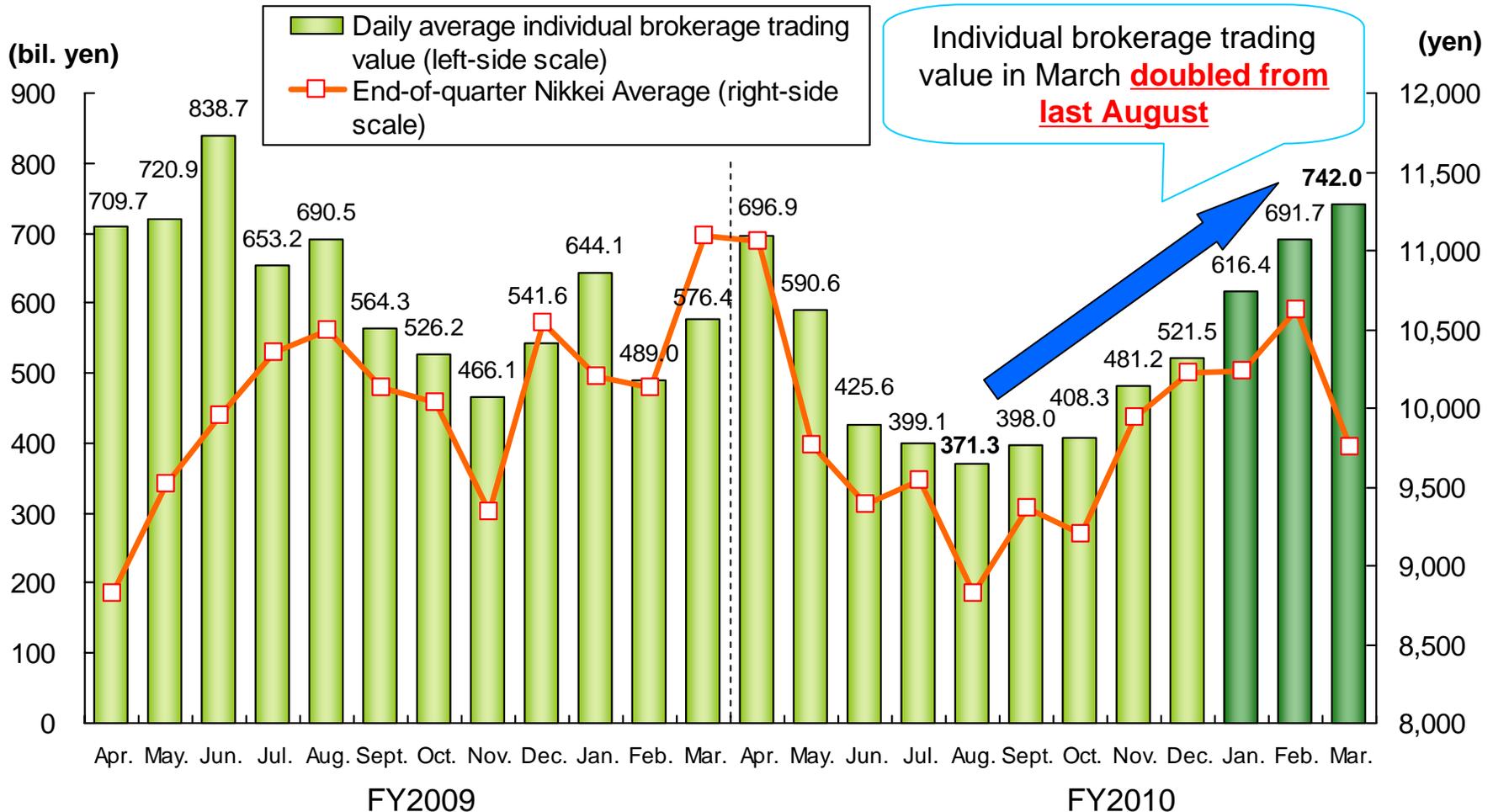
[Keys for consolidated results]

- (1) Even Under a Continuing Difficult Environment, Revenues and Profits Increased**
- (2) Performance of Major Business Segments was Favorable Compared to Competitors**

(1) Even Under a Continuing Difficult Environment, Revenues and Profits Increased

Changes in Daily Average Individual Brokerage Trading Value

Individual brokerage trading value recovered, after bottoming out in Aug. 2010, although still resulting in 16.3% downturn YoY



*Japanese Stocks listed on Tokyo Stock Exchange, Osaka Stock Exchange and Nagoya Stock Exchange (Including TSE Mothers, OSE JASDAQ and NSE Centrex)

*Source: Compiled by SBIH from disclosed data from TSE and OSE

Domestic and Overseas IPO Market

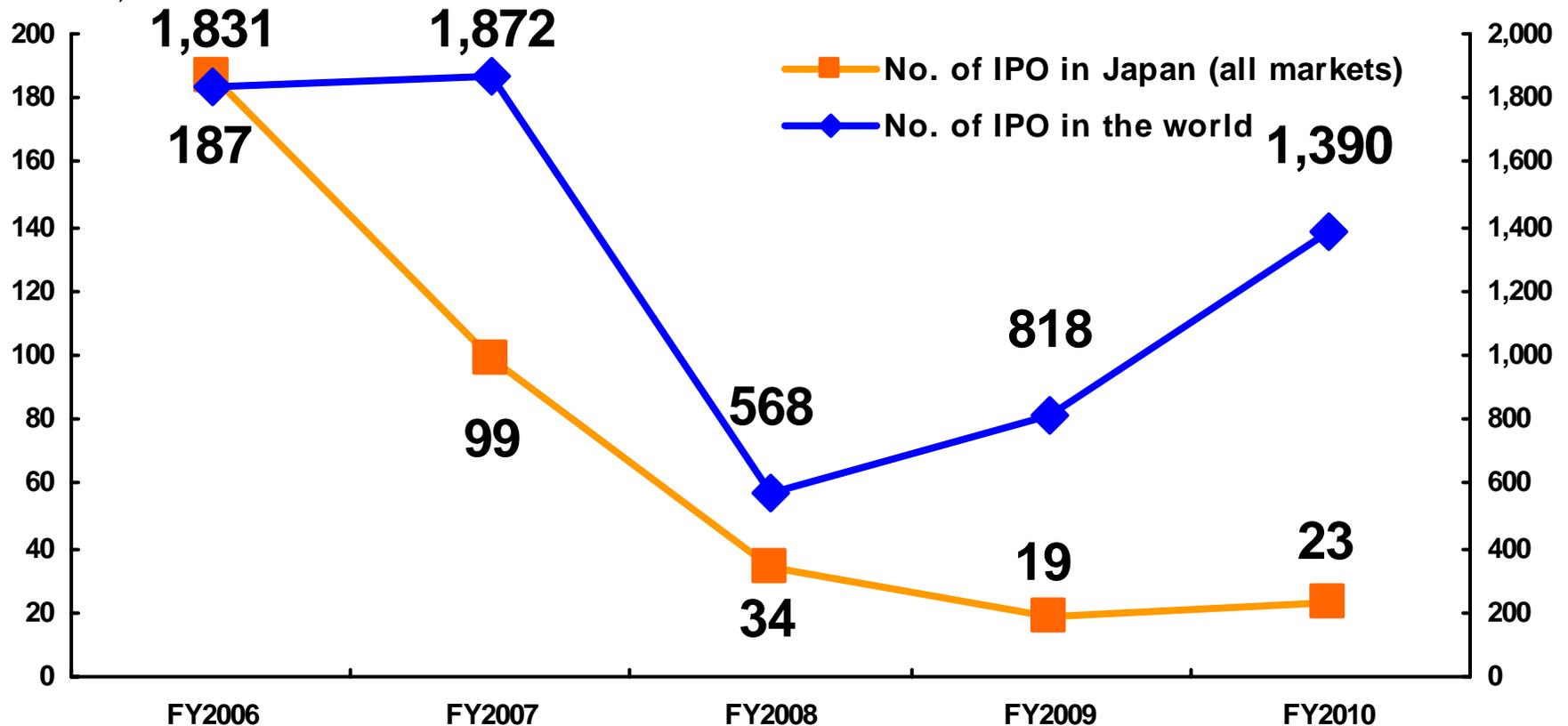
Amid the Global IPO Market Recovery Centered on Asia,
Japan's IPO Market Continues to Flounder

Change in the number of domestic and overseas IPO companies

(Unit: companies)

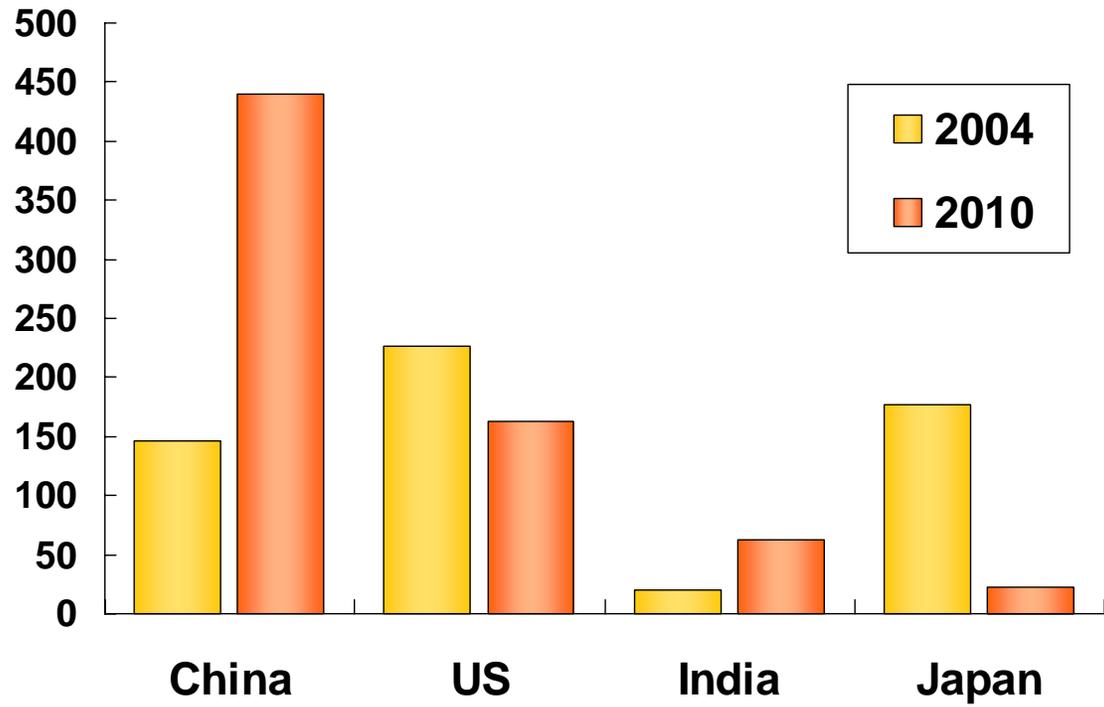
(Domestic)

(Overseas)



*Source: Stock exchanges, E&Y "Global IPO Update"

Number of IPO Deals by Country



	China (incl. Hong Kong)	US	India	Japan
2004	146 (68)	227	20	177
2010	440 (101)	163	63	22

* On calendar year basis

FY2010 Consolidated Performance

Secured year-on-year increase in all profit categories

(mil. yen)

	FY2009 Full year (Apr. 2009 – Mar. 2010)	FY2010 Full year (Apr. 2010 – Mar. 2011)	YoY change (%)
Operating Revenues	124,541	141,081	+13.3
Operating Income	^{*1,2} 3,431	^{*3} 8,932	+160.3
Ordinary Income	1,112	^{*4} 3,525	+216.8
Net Income	2,350	^{*5} 4,534	+93.0

*1 SBI Card recorded a 1.5 bil. yen provision for allowance for doubtful accounts (of which 1.2 bil. yen is for loans of former SBI Equal Credit) throughout FY2009

*2 SBI Card recorded a 0.8 bil. yen provision for loss on interest repayment (of which 0.5 bil. is for loans of former SBI Equal Credit) throughout FY2009

*3 SBI Card recorded a 1.3 bil. yen provision for allowance for doubtful accounts (of which 1.1 bil. yen is for loans of former SBI Equal Credit)

*4 Recorded 0.6 bil. yen in foreign exchange loss on yen-denominated loans etc. at SBI Korea Holdings. Recorded 1.9 bil. yen at MTN bond interest payment and 0.4 bil. yen allowance for losses on investment securities for KTIC Holdings shares due to the adaption of stricter accounting standard.

*5 HOMEOSTYLE recorded 1.0 bil. yen in extraordinary loss due to impairment of fixed assets, among other factors

SBI SECURITIES recorded provision for doubtful accounts of 1.1 bil. yen on settlement risk associated with customers involved in the trading of futures, options, margin stocks trading and foreign exchange trading

Abrupt Appreciation of the Japanese Yen Temporarily Affects Ordinary Income

	FY2009	FY2010	YoY Change
USD/JPY	93.04	83.15	-10.3%
100KRW/JPY	8.22	7.53	-8.4%
Operating Income	3,431	8,932	+5,501
Non Operating income	1,185	1,186	+1
Non Operating expenses	-3,504	-6,593	-3,089
Ordinary Income	1,112	3,525	+2,413

(mil. yen)

	FY2009	FY2010	YoY Change	Outline
Foreign exchange loss	-65	-1,349	-1,284	
SBI Korea Holdings	402	-586	-988	From yen-denominated borrowings
SBI Hawaii Property	-11	-104	-93	From yen-denominated borrowings
SBI Ven Holdings	-2	-54	-52	From yen-denominated borrowings
Other FX loss	-454	-605	-151	
Bond interest payment	-1,182	-1,962	-780	Due to increase in interest paid accompanying an increase in MTN issuance
Borrowing cost	-778	-843	-65	Interest payment to banks
Hong Kong listing	—	-320	-320	Costs for the listing on Hong Kong stock exchange
Deferred per Art. 113 of Insurance Business Act	-746	-952	-206	Recorded based on Insurance Business Act
Provision for allowance for doubtful accounts	-24	-191	-167	147 million yen allowance provisioned for bonds held by SBI Net Systems
Other expenses	-709	-976	-267	173 million yen valuation loss on software, etc. by SBI Net Systems
Total non operating expenses	-3,504	-6,593	-3,089	

*Negative figures indicate cost increases

Change in Consolidated Performance by Half Year Period

	FY2009		FY2010	
	1H (Apr.-Sept. 2009)	2H (Oct. 2009 – Mar. 2010)	1H (Apr.-Sept. 2010)	2H (Oct. 2010 – Mar. 2011)
Operating Revenues	63,153	61,388	62,948	78,132
Operating Income	*1,2 3,752	*1,2,4 -320	*6 3,605	*6 5,327
Ordinary Income	2,012	-899	*7 695	*7 2,830
Net Income	*3 822	*5 1,527	*8 686	*9 3,848

*1 SBI Card recorded a 1.5 bil. yen provision for allowance for doubtful accounts (of which 1.2 bil. yen is for loans of former SBI Equal Credit) throughout FY2009

*2 SBI Card recorded a 0.8 bil. yen provision for loss on interest repayment (of which 0.5 bil. is for loans of former SBI Equal Credit) throughout FY2009

*3 Recorded provision for allowance for doubtful accounts for loan to ZEPHYR: 1.5 bil. yen

*4 Recorded allowance for losses on investment securities of 2.6 bil. yen (total invested amount) for KTIC Holdings shares which is equivalent to the destroyed value by the former management

*5 Recorded an extraordinary gain of 0.8 bil. yen for the transfer of SBI AXA Life Insurance shares, and of 1.4 bil. yen for the transfer of Broadmedia shares

*6 SBI Card recorded a 1.3 bil. yen provision for allowance for doubtful accounts (of which 1.1 bil. yen is for loans of former SBI Equal Credit)

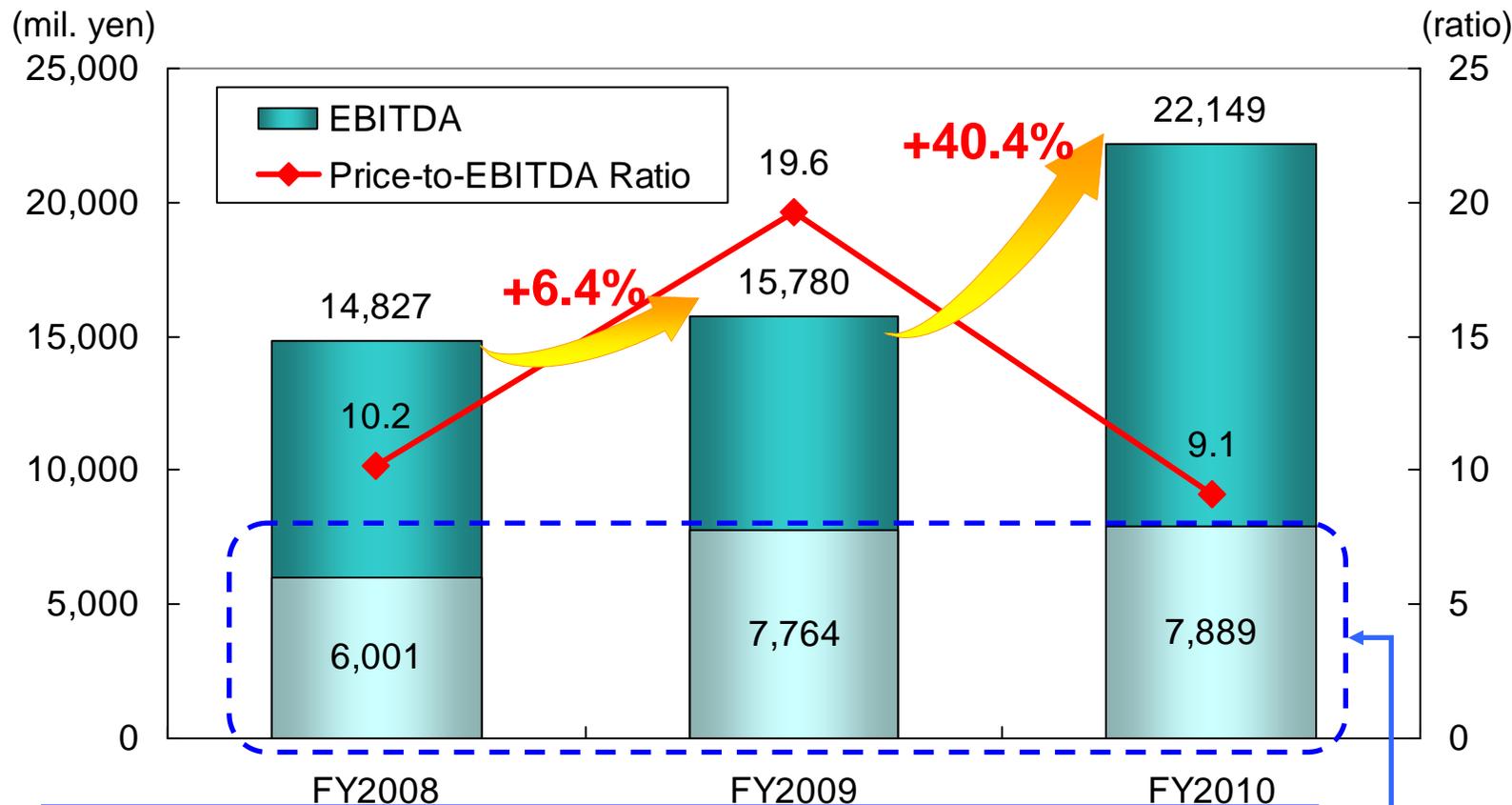
*7 Recorded 0.6 bil. yen in foreign exchange loss on yen-denominated loans etc. at SBI Korea Holdings and 1.9 bil. yen at MTN bond interest payment

*8 HOMEOSTYLE recorded 1.0 bil. yen in extraordinary loss due to impairment of fixed assets, among other factors

*9 SBI SECURITIES recorded provision for doubtful accounts of 1.1 bil. yen on settlement risk associated with customers involved in the trading of futures, options, margin stocks trading and foreign exchange trading

Change in EBITDA and Price-to-EBITDA Ratio

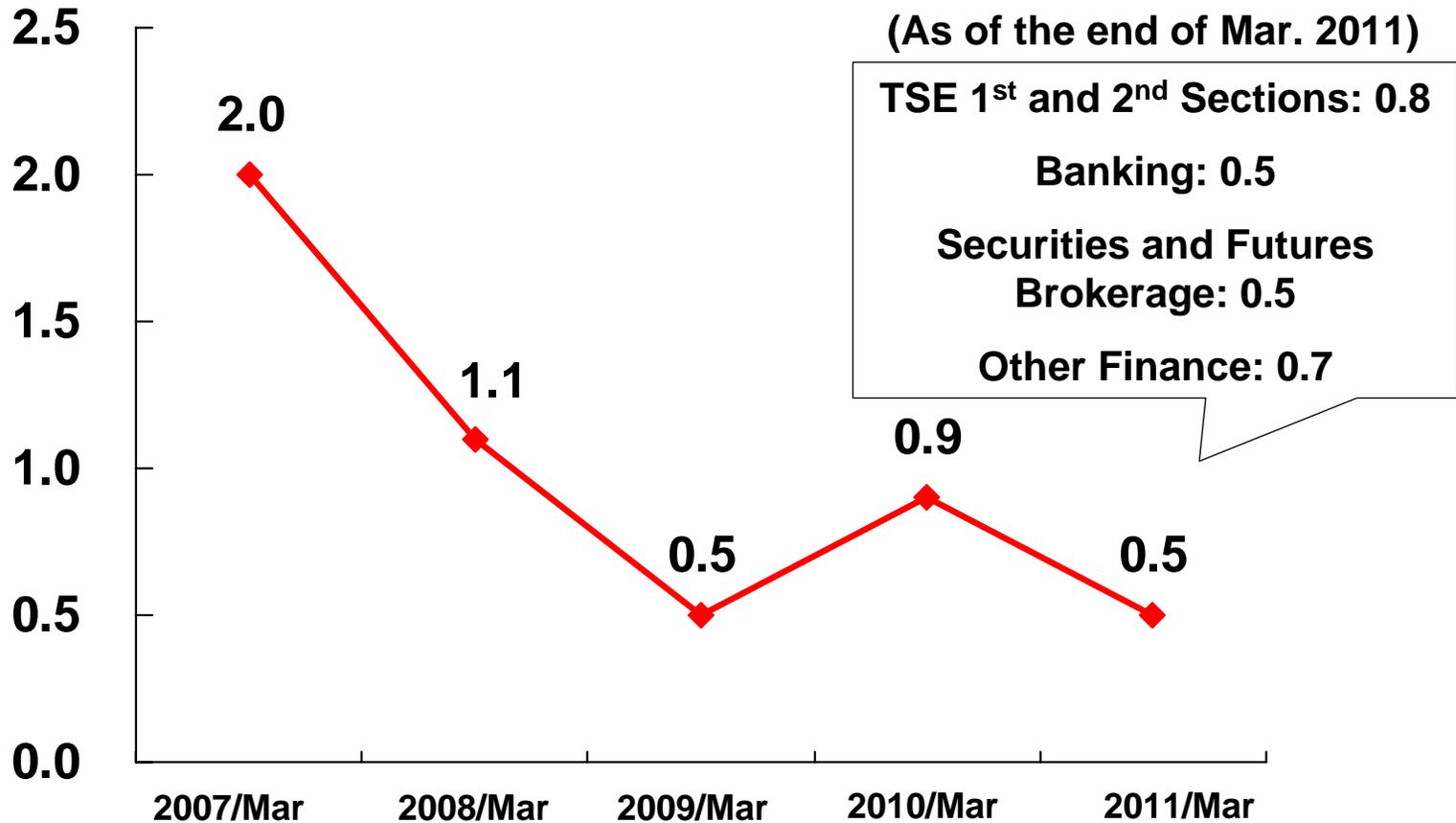
EBITDA=operating income + allowance for depreciation + goodwill amortization
 Price-to-EBITDA Ratio=closing price at TSE / per share EBITDA*



[Goodwill Amortization]
 Under IFRS, which SBI plans to voluntarily adapt from FY2012, amortization of goodwill will no longer be recorded as an operating expense.

* Calculated as follows: EBITDA in each period / average number of shares during the corresponding period

Change in SBIH's PBR



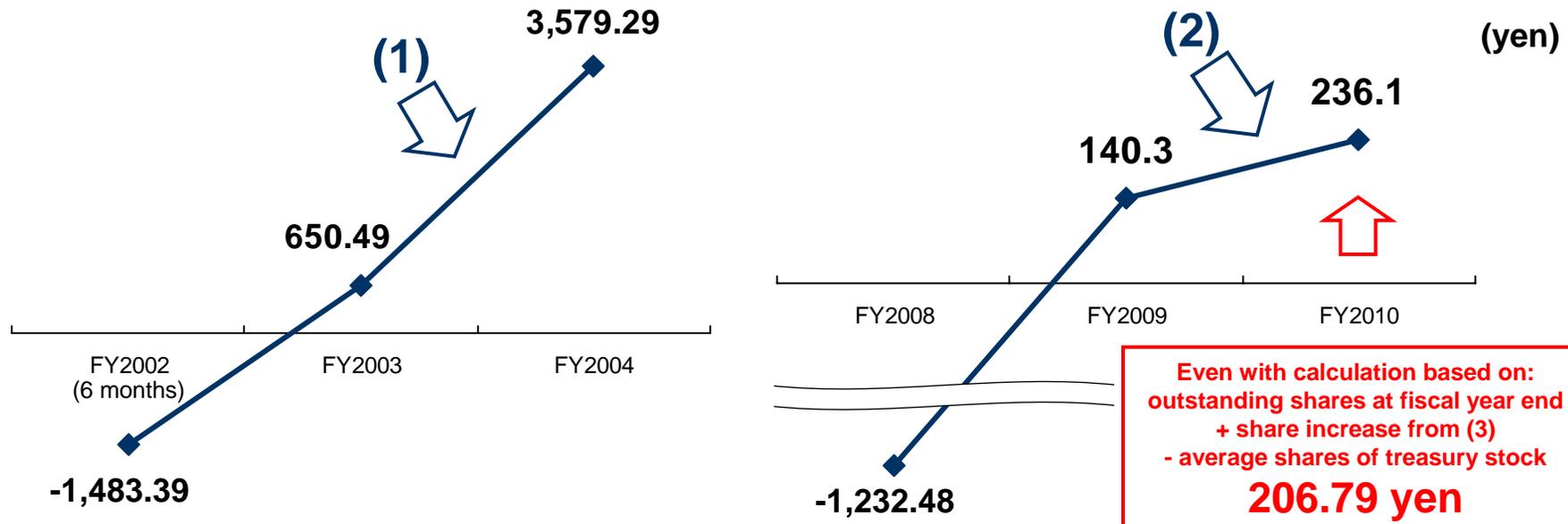
(*) PBR=FY end TSE closing price/Book-value per share

Source: TSE
(Consolidated basis, Mothers is excluded)

EPS for FY2010 Up 68.3% Year-on-year After Public Offering

- The SBI Group's consideration of appropriate timing for the public offering:
 - ✓ An environment where EPS (earnings per share) can be expected to increase, even upon an increase in the number of shares

Net income per share after public offering (upon split of shares)



(1) PO in Mar. 2005

Capital raised*	51.2 bil. yen
Dilution ratio	20.31%

*total net proceeds of public offering and third party allocation

(2) PO in Jun. 2010

Capital raised*	35.3 bil. yen
Dilution ratio	18.54%

*total net proceeds of public offering

(3) IPO on HKEx in Apr. 2011

(passed resolution on Mar. 25, 2011)

Capital raised*	Approx. 16.2 bil. yen
Dilution ratio	10.02%

*total net proceeds when both public offering and third party allocation are conducted.

SBI Holdings' Dividend Distribution for FY2010



SBIH's Dividend Policy (amended in Apr. 2009)

SBIH will implement a dividend policy with 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.

Dividends Distribution Record

(per stock, yen)

	interim	Year End		Annual
		Ordinary dividends	Anniversary dividends	
FY2010 (Forecast)	-	<u>100 (42.4%)</u>	<u>20</u> <u>(for Hong Kong listing celebration)</u>	<u>120 (50.8%)</u>
FY2009	-	50 (35.6%)	50 (for 10 years anniversary of SBI)	100 (71.3%)
FY2008	-	100	-	100 (-)

*parenthetic figures are consolidated payout ratio. Net income in FY2008 was -18.4 bil.yen

(2) Performance of Major Business Segments was Favorable Compared to Competitors

<1> Asset Management Business

Fiscal 2010 (Year ended March 31, 2011)

Operating Revenues 30.7 billion yen (+52% YoY)

Operating Income 9.6 billion yen (+276% YoY)

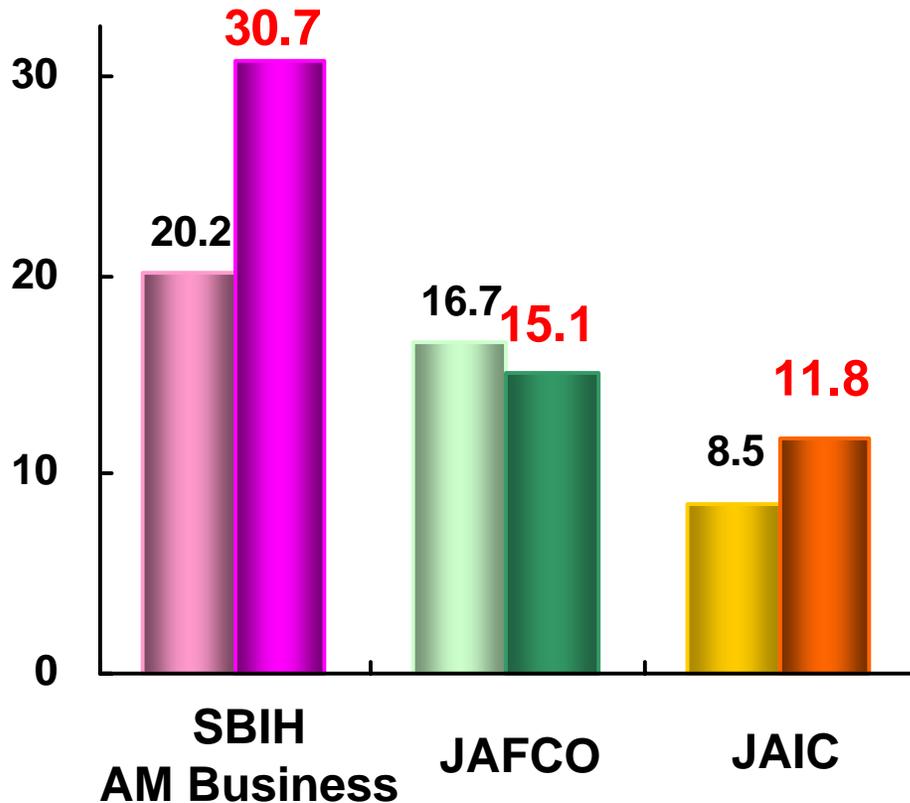
Performance Comparison of JAFCO, JAIC, and the SBI Group's Asset Management Business



Revenues

(Left: FY2009, Right: FY2010)

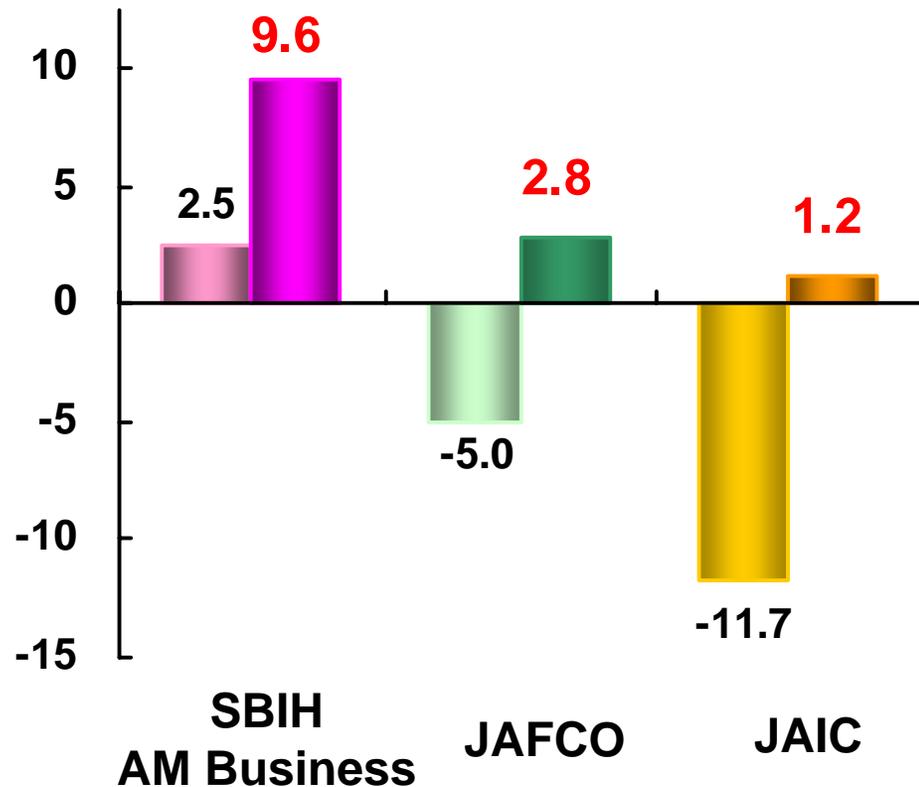
(bil. yen)



Operating Income

(Left: FY2009, Right: FY2010)

(bil. yen)



Comparison of Major VC Companies' Investment Activity

[FY2010]

	New investment amount (Unit: mil. yen)	Number of invested companies	Number of ^{*1} IPO/M&A (incl. overseas investees)
SBI Group's Asset Management Business	64,436	185	17 (16)
JAFCO	32,172	110	9 (5)
JAIC	3,204	66	6 (3)

[Reference: FY2009]

	New investment amount (Unit: mil. yen)	Number of invested companies	Number of ^{*1} IPO/M&A (incl. overseas investees)
SBI Group's Asset Management Business	59,532	143	11 (6)
JAFCO	17,647	101	10 (2)
JAIC	4,002	68	9 (5)

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

*1 Listed stocks acquired through share exchanges between investees and listed companies are included in the number of IPO/M&As for the SBI Group's Asset Management Business and JAIC

Overseas Businesses Already Contribute to SBI's Profit

FY2010

Ratio of foreign companies among
the invested companies which
conducted IPOs and M&As:

94.1%
(16 of 17 companies)

Overseas sales ratio of
investment security*:

91.2%

*Ratio of overseas companies in sales of investment security
(including dividend and interest) in Asset Management Business

Since 2005, the Company has expanded its investments in China and other emerging nations. Today, this is a major driving force behind the business performance of SBI Holdings' Asset Management Business.

Achieved IPOs of Two Overseas Investee Companies in FY2011

(1) PCHOMESTORE INC.

Operation of EC mall in Taiwan

Listed on GTSM (Taiwan) on April 6

Market Capitalization (as of May 19): 2.72 bil. Taiwan dollar (7.7 bil. yen)

(SBI Group's shareholding ratio: 4.24%)

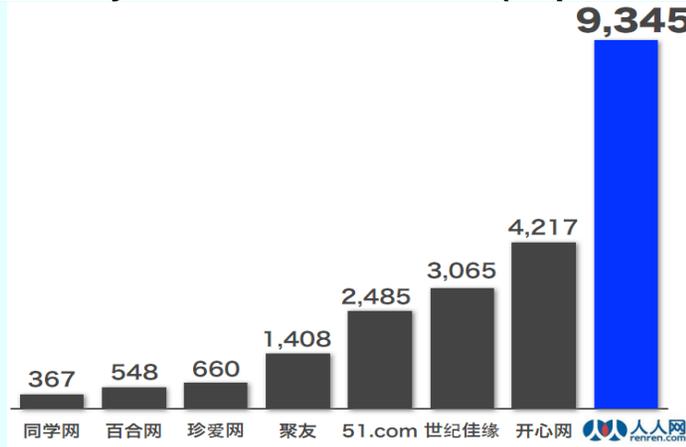
(2) Renren, Inc.

Operation of China's Largest SNS, etc.



China's largest real name SNS

Monthly SNS Users in China (Sept. 2010)



Source: iResearch

Listed on NYSE on May 4

Market Capitalization (as of May 19): 5.39 bil. dollar (440.3 bil. yen)

(SBI Group's shareholding ratio: 1.86%)

*including residual securities



One of China's largest daily deal website



<2> Brokerage & Investment Banking Business

Fiscal 2010 (Year ended March 31, 2011)

Operating Revenues 47.9 billion yen (-4% YoY)

Operating Income* 6.1 billion yen (-35% YoY)

(*after exclusion of 5.9 bil. yen for amortization of goodwill)

SBI SECURITIES FY2010 Consolidated Results

(million yen, %)

	FY2009 (Apr. 2009 to Mar. 2010)	FY2010 (Apr. 2010 to Mar. 2011)	YoY Change
Operating Revenues	46,114	44,077	-4.4
Net Operating Revenues	42,393	40,422	-4.6
Operating Income	12,454	9,896 ^{*1}	-20.5
Ordinary Income	12,345	9,704 ^{*2}	-21.4
Net Income	7,311	8,631 ^{*3}	+18.0

*1 Recorded an additional provision of 145 mil. yen for point allowance, and one-off expenses of 510 mil. yen for migration to a new system.

*2 Recorded loss of 415 mil. yen on fund investment under non-operating losses

*3 Extraordinary loss of 1,197 million yen associated mainly with margin calls on options trading and other losses.

SBI SECURITIES' Ranking in the Securities Industry (FY2010)



Ranking by Net Operating Revenues

Unit: bil. yen

1	Nomura	1,130.6
2	Daiwa	318.5
3	SMBC Nikko	205.1
4	Mizuho	192.8
5	Mitsubishi UFJ	139.8
6	Okasan	61.2
7	SMBC Friend	52.9
8	Mizuho Investors	52.9
9	Tokai Tokyo	50.7
10	SBI	40.4
11	Monex	22.5
12	Rakuten	21.3
13	Matsui	21.3
14	Kabu.com	12.6

Ranking by Net Income

Unit: bil. yen

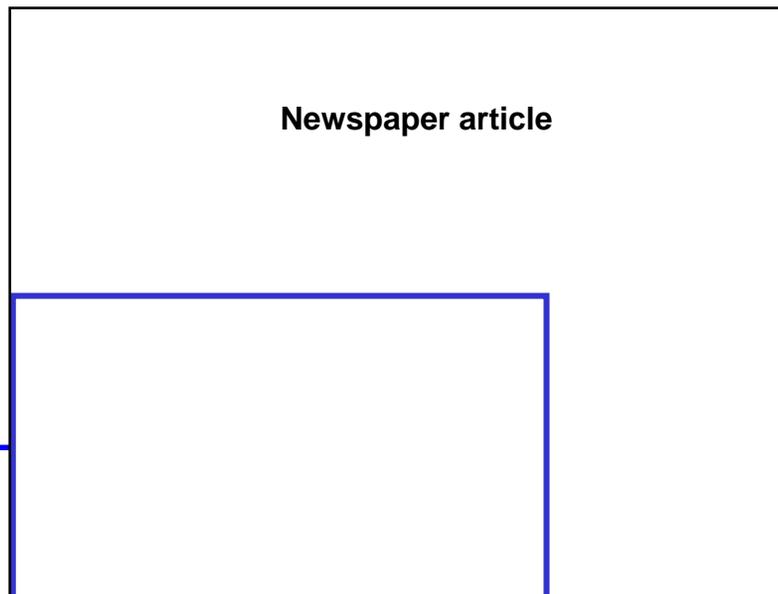
1	Nomura	28.6
2	SMBC Nikko	23.5
3	Mizuho Investors	9.3
4	SBI	8.6
5	Matsui	5.4
6	SMBC Friend	4.9
7	Tokai Tokyo	4.3
8	Rakuten	2.1
9	Monex	1.9
10	Okasan	0.6
11	Kabu.com	0.5
12	Mizuho	-29.3
13	Daiwa	-37.3
14	Mitsubishi UFJ	-50.4

*1 Compiled by "The Nikkei" newspaper *2 Ranking among securities companies with over 20.0 billion yen in net operating revenues, and five online brokers *3 On a consolidated basis, except as to the companies with no consolidated subsidiary

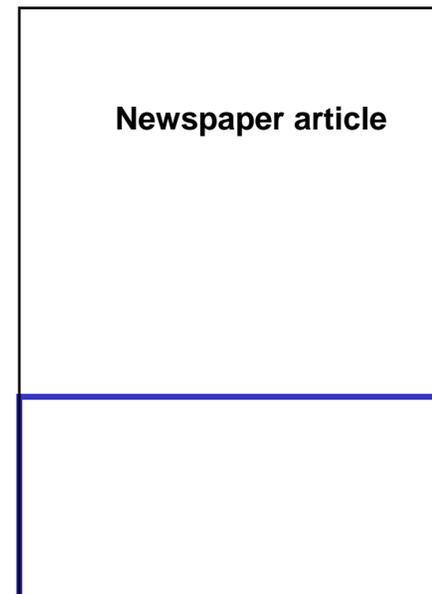
*4 Figures of Nomura are based on the U.S. accounting standard, and Net Revenue is substituted for Net Operating Revenues

Performance Comparison of Major Online Securities for FY2010

-Except for SBI SECURITIES, net profits of all other online companies declined-



(Source) Fuji Sankei Business i 8th page on Apr. 28, 2011



(Source) Tokyo Shimbun 6th page on Apr. 28, 2011

FY2010 consolidated performance

(bil. yen, %)

	Net operating revenues	Net profit
SBI	40.4 (-4.6)	8.6 (+18.0)
Monex	22.5(+13.4)	1.9 (-47.2)
Rakuten	21.3 (+0.5)	2.1 (-67.6)
Matsui	21.3 (-8.4)	5.4 (-29.4)
kabu.com	12.6 (-7.0)	0.5 (-80.7)

*1 Parenthetic figures are YoY change

*2 Rakuten and kabu.com are non-consolidated. Monex, Inc. and ORIX Securities Corporation merged on May 1, 2010

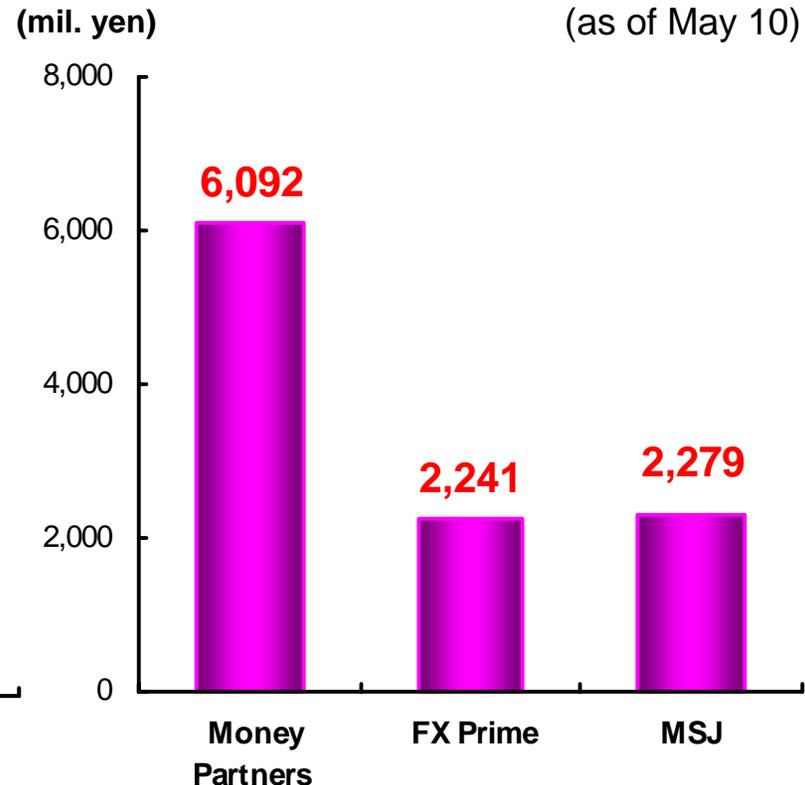
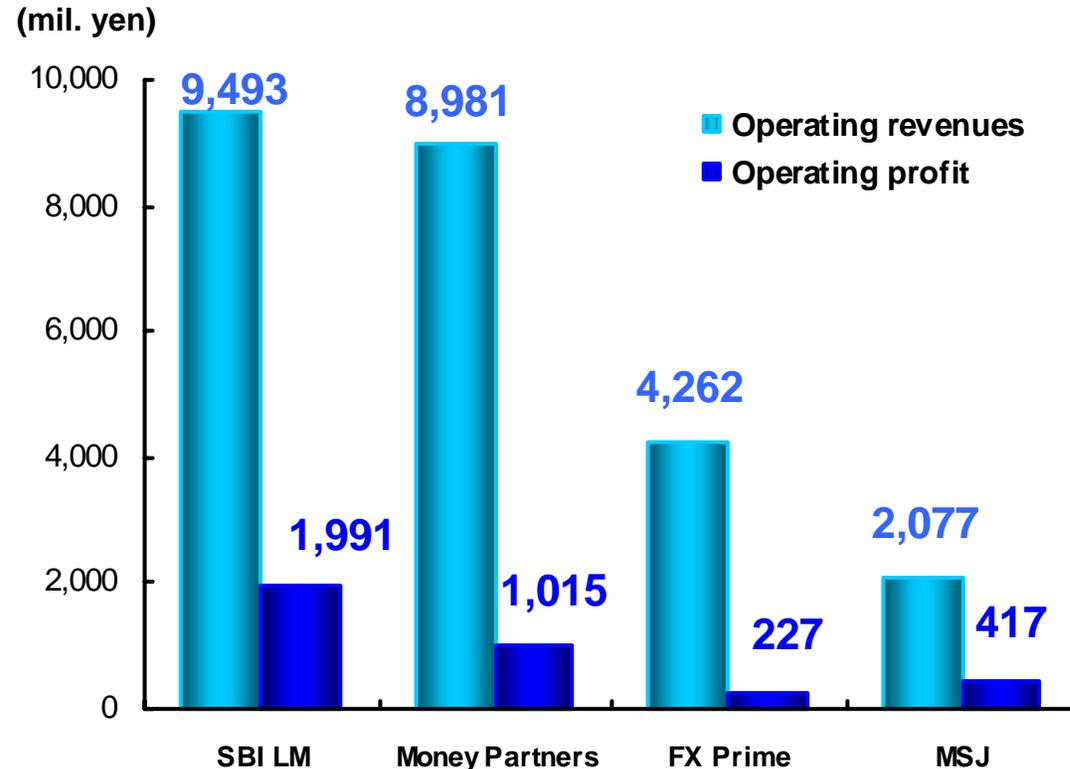
Performance Comparison of SBI Liquidity Market and Listed Pure-play FX Companies



FY2010 Performance

Reference: Market Cap. of Listed Pure-play FX Companies

(as of May 10)



Note) SBI LM : SBI Liquidity Market (Started operations on Nov. 17, 2008)
 Money Partners : Money Partners Group (Listed on OSE JASDAQ, started operations in Jun. 2005)
 FX Prime : FX Prime (Listed on OSE JASDAQ, started operations in Dec. 2003)
 MSJ : Money Square Japan (Listed on OSE JASDAQ, started operations in Nov. 2002)

*1 Non-consolidated results except for Money Partners Group

*2 Source: Yahoo! Finance

(3) Financial Services Business

Fiscal 2010 (Year ended March 31, 2011)

Operating Revenues	30.5 billion yen	(+19% YoY)				
Operating Income	-0.5 billion yen	(-)				
<table border="0"> <tr> <td rowspan="2"> Incl. Credit card business Other business </td> <td>-3.3 billion yen (-)</td> <td rowspan="2"> </td> </tr> <tr> <td>2.7 billion yen (+14% YoY)</td> </tr> </table>			Incl. Credit card business Other business	-3.3 billion yen (-)		2.7 billion yen (+14% YoY)
Incl. Credit card business Other business	-3.3 billion yen (-)					
	2.7 billion yen (+14% YoY)					

Operating income of
major profitable
businesses

SBI Holdings (Marketplace Business)	1.2 billion yen
SBI VeriTrans	1.1 billion yen
SBI Lease	0.7 billion yen
Morningstar	0.5 billion yen

FY2010 Performance of Publicly Owned Subsidiaries

- **SBI VeriTrans** outperformed the initial estimate, **and hit a new high in all income categories, namely operating revenues, operating income, ordinary income, and net income.** **The number of transactions steadily increased by 25.0% YoY to 73 million,** along with the expansion of the domestic Internet and e-commerce (EC) markets.
- **Morningstar recorded an increase in all income categories,** due to its own cost reduction, even though its operating revenues decreased 1.6% YoY owing to a decrease in the subscription revenue of Kabushiki Shimbun.

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

FY2010	Operating Revenues	Operating Income	Ordinary Income	Net Income	FY2010 Dividend per share (forecast)
SBI VeriTrans	6,181 (+23.0)	1,147 (+12.9)	1,167 (+11.0)	721 (+17.7)	800 yen (+100 yen)
Morningstar Japan	2,326 (-1.6)	459 (+10.7)	569 (+8.6)	305 (+2.8)	750 yen (+150 yen)

(*) Gomez Consulting was delisted, having become a wholly owned subsidiary of Morningstar on April 19, 2011.

<4> Housing and Real Estate Business

Fiscal 2010 (Year ended March 31, 2011)

Operating Revenues	23.5 bil. yen	(+37% YoY)
Operating Income	3.4 bil. yen	(+286% YoY)

SBI Mortgage Outperforms Its Previous FY

With a rapid increase in housing loans, all profit items increased substantially, along with a net profit growth of 2.5 times

(mil. yen, %)

	FY2009	FY2010	YoY
Operating Revenue	6,278	9,560	+52.3
Operating Income	1,582	2,905	+83.6
Ordinary income	1,595	2,940	+84.4
Net Income	797	2,003	+151.1

SBI Mortgage Boosts Its Housing Loans Outstanding, With Number of Shops Topping 107



(bil. yen)

Change in Housing Loans Outstanding

End of Mar. 2011: **916.6 bil. yen**

New loans

FY2009

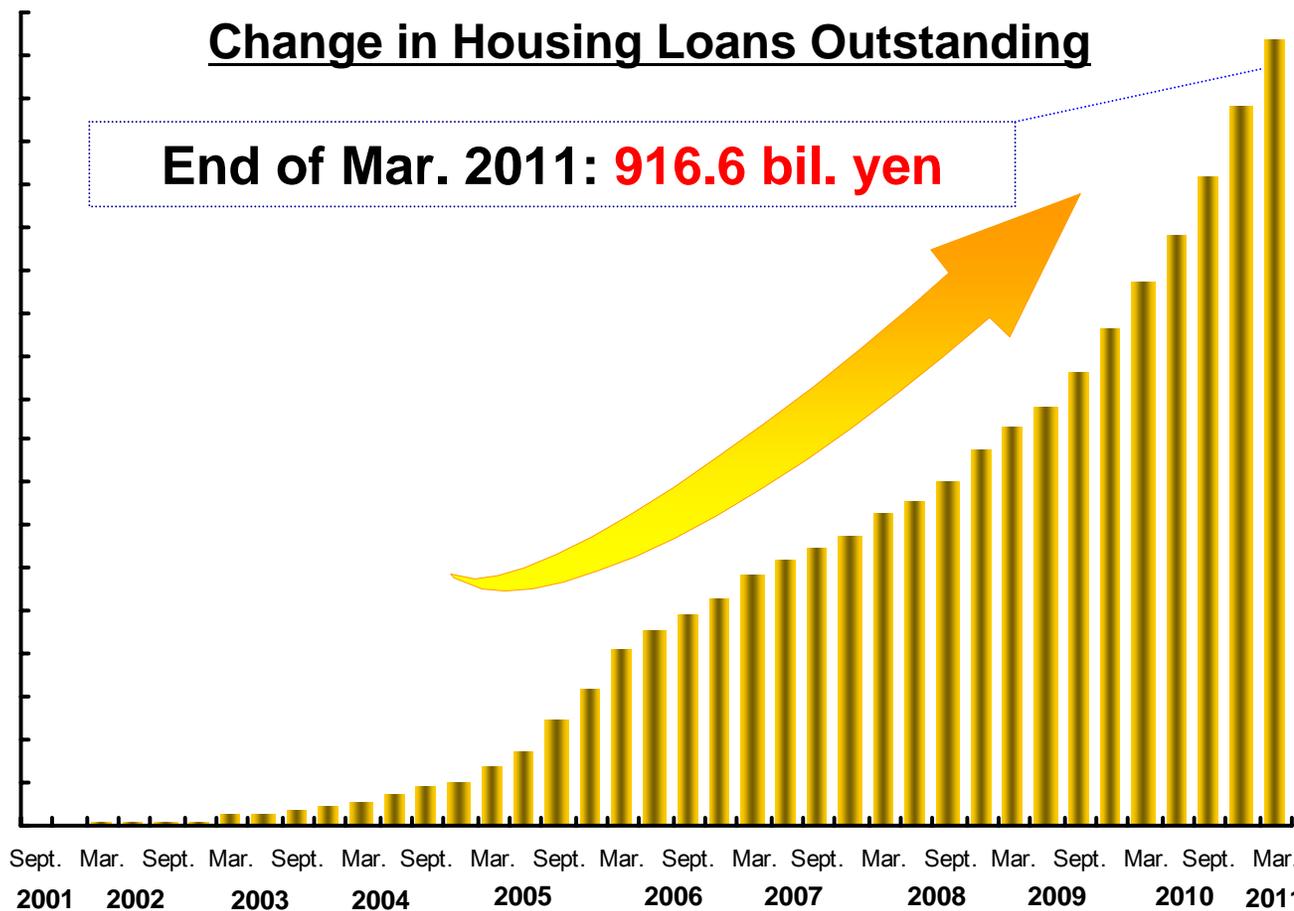
203.9 bil. yen



FY2010

349.5 bil. yen

(+71.4% YoY)



- **Offers the lowest level of interest rates (2.63%)**

* The lending rate for 21-35 years loans purchased in May.2011 (no annexed life insurance)

- **SBI Mortgage's "Flat 35" share from Jan. to Dec.: 12.3% 1st among 334 companies**

* Compiled by SBI Mortgage. Share is based on the number of purchased loans (incl. guaranteed loans).

4Q Earnings at SBI Life Living Continued to Grow, and the Bottom Line Surged for the Full Term

Sales of completed properties were brisk, growth remained favorable in Internet Media*, and full-term operating income increased 281.6% year-on-year

(mil. yen, %)

	FY2009	FY2010	YoY
Operating Revenue	5,616	6,459	+15.0
Operating Income	169	646	+281.6
Ordinary income	70	517	+635.9
Net Income	27	387	+1,292.5

* Lifestyle-related comparison websites such as muSBI and Ticket Ryutsu Net

2. Four Major Challenges for Corporate Strategy

I: Increasing Corporate Value

II: Following Major Trends

III: Reducing Risk Exposure

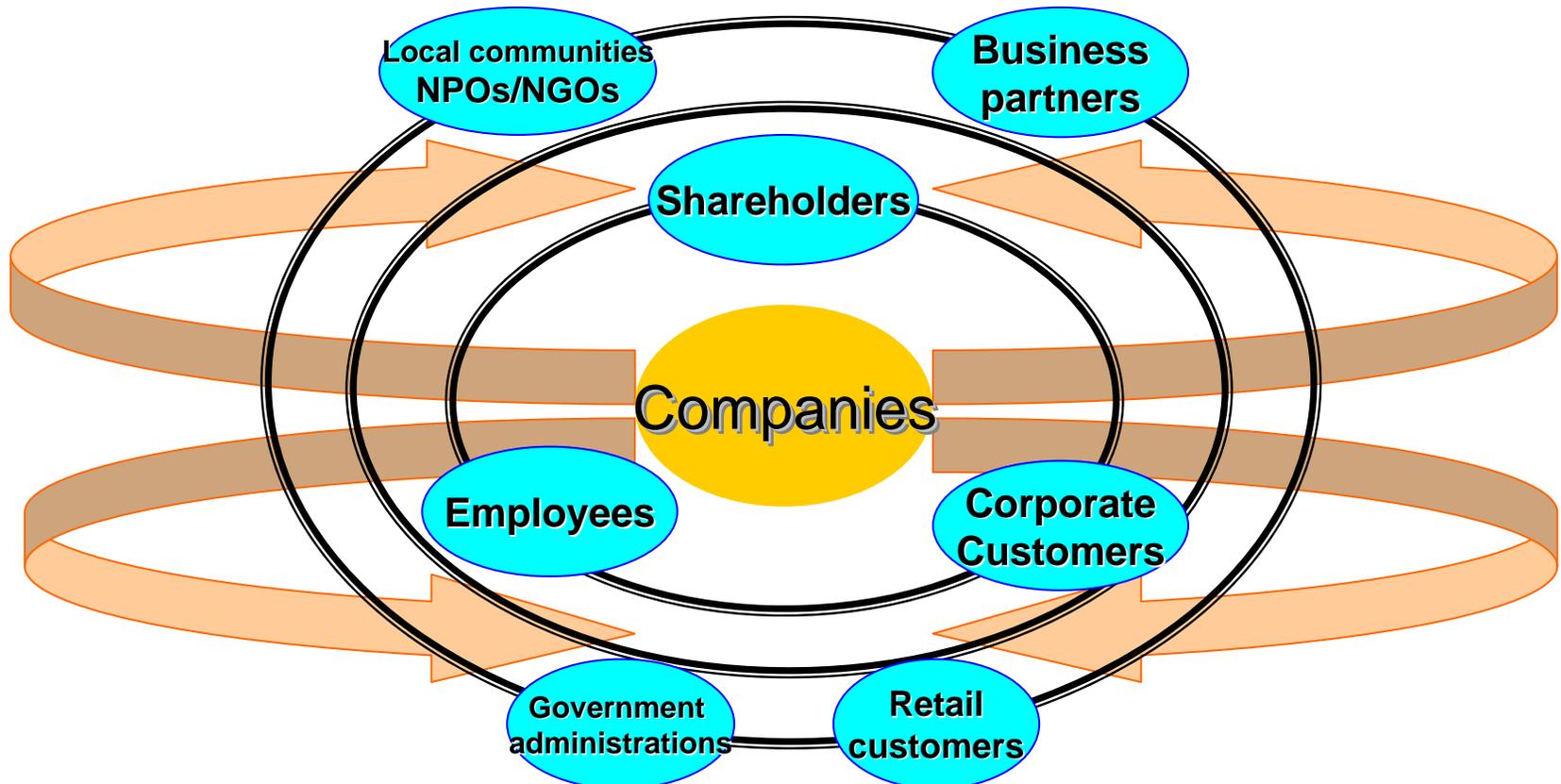
IV: Advancing “Brilliant Cut” Initiative to Increase Profitability

I: Increasing Corporate Value

What is a Company? (1)

“Awareness of the nature of society”

An enterprise is possible because it inhabits a society.
So an enterprise must help support, develop, and contribute to society.



What is a Company? (2)

Leads to a high requirement for new ways of managing to strengthen relationships with diversified stakeholders and realize harmony with society



The Origin of 'What is a Company?'

- An organization as an aggregate of individuals
- Possess a corporate capacity as a company
- One of the parts within society
- A entity effusing various social influences
- A social being as well as a component of society



A company should exist as a going concern by coexisting in relative harmony with society, and to realize it a company must balance the conflicting stakeholders interests surrounding it with benefits for both itself and the public

Corporate Value Theory Based on American-style Values

Japan began to admire American-style values of regarding shareholder value as the only absolute, given the strong U.S. economy at the time and the competitiveness of U.S. companies on the global stage.

=> maximization of total market capitalization

1919 Michigan Supreme Court:

Corporations exist to make profits for their shareholders.

1970 Milton Friedman:

“There is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits”

Limitations of Management Pursuing Only Traditional “Corporate Value”

Traditional Enterprise Value

= Total market capitalization + Total market value of liabilities
(Present value of expected future free cash flows)



Focus only on short-term improvement of ROE (Return on Equity)

Reduction of personnel cost, R&D cost and facility investment, etc.



Lack of new product development in the mid- and long term

company stock buybacks



Lowering equity capital ratio
Weakening of financial ground



Focusing only on shareholder value is not desirable, if a company is to achieve a healthy growth as a going concern, or raise its corporate value in a true sense

The SBI Group's Approach to Corporate Value

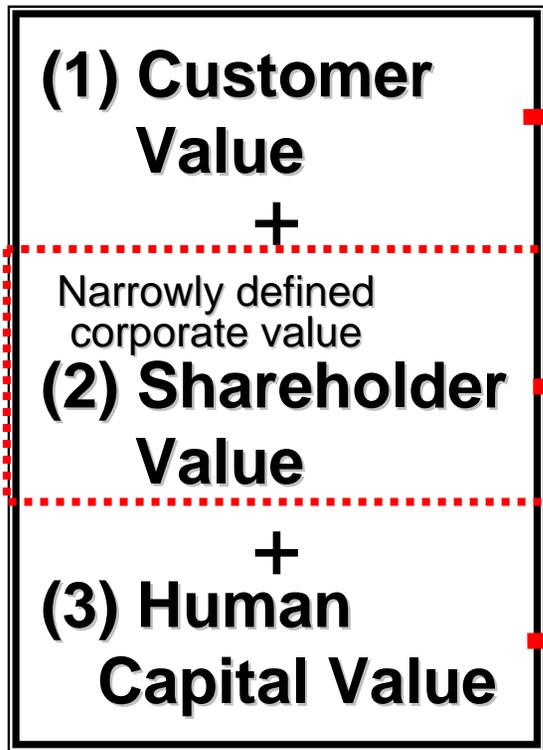
Conventional corporate value is defined as the “sum of market cap and market value of liabilities”
 (Present value of future cash flows)



New “corporate value” theory - *The SBI Group Vision and Strategy, 2005*

“Corporate Value” –Manifest value

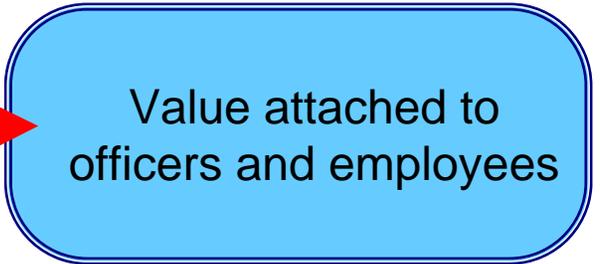
II



Cash flow that customers pay for goods and services offered by a company



Present value of expected free cash flows in future



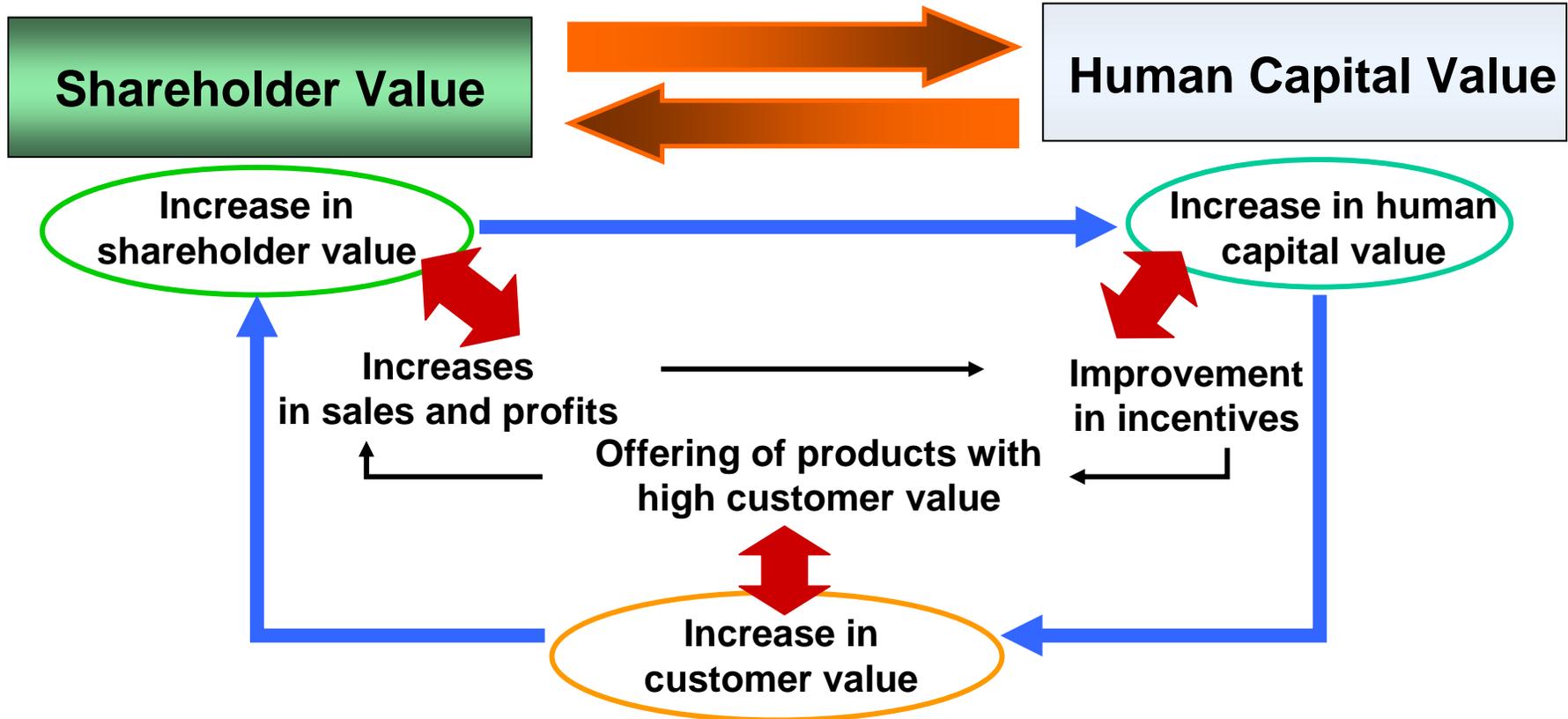
- People are the source of creativity
- A primary factor for differentiation among other companies, which is the source of advantageous competitiveness
- The highest value in strategic resources

Mechanism for Raising “Corporate Value”

SBI Holdings

With the creation of customer value as a foundation,

“corporate value” is generated and increases through a mutual linkage with shareholder value and human capital value



Adherence to a customer-centric principle in all group businesses

Customer Value

Foundation of Corporate Value = Customer Value



Value is created when customers pay for products and services provided by a company

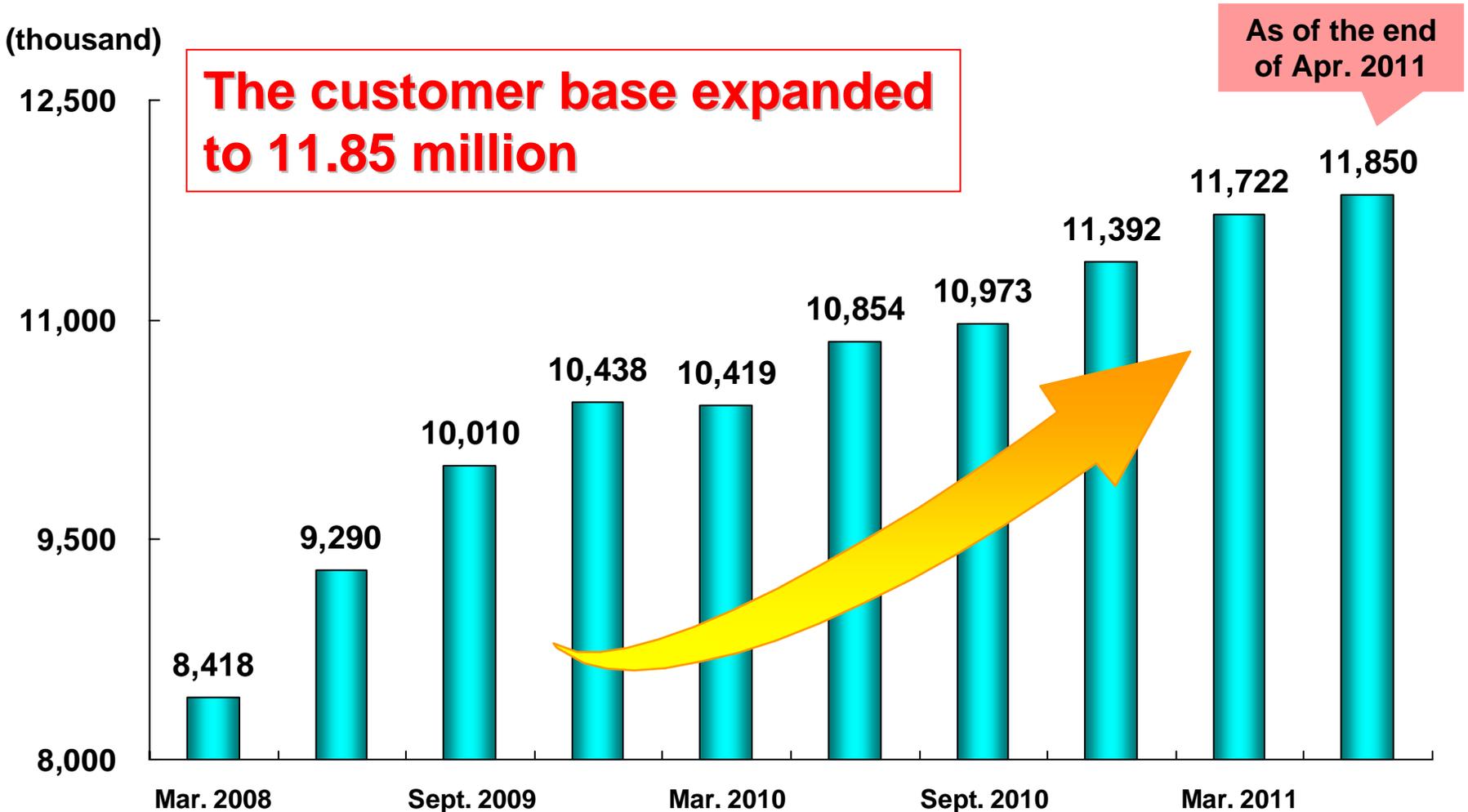


<1> Customer satisfaction

<2> No. of customers (customer base)

The two ways in which customer value becomes evident

Change in the SBI Group's Customer Base



*Figures included: SBI SECURITIES (no. of accounts), SBIH; InsWeb, E-LOAN and other financial websites (no. of customers), MoneyLook (total no. of customer registrations), Morningstar (new portfolio customer registrations), SBI Card (cards issued), SBI Sumishin Net Bank (no. of accounts), SBI Insurance (no. of contracts), Autoc one (total no. of service users in 2010), SBI Life Living; lifestyle related comparison websites (total no. of customer registrations), SBI Credit (no. of customers), SBI Mortgage (no. of customers), etc.

Both SBI Sumishin Net Bank and SBI SECURITIES Ranked First in Their Respective Industries, in the 2010 JCSI Customer Satisfaction Survey (Japanese Customer Satisfaction Index)

Customer satisfaction ranking by industry

*Released by Service Productivity & Innovation for Growth (SPRING)

■ Securities industry (10 firms)



Rank	Company
1st	SBI SECURITIES

Moved up from 2nd

While competitors fell in ranking, SBI SECURITIES gained in all categories. From personal comments, factors such as , “[Combined use with SBI Sumishin Net Bank](#)” and “[Support for domestic stock market](#)” were well received.

■ Banking industry (11 firms)



Rank	Company
1st	SBI Sumishin Net Bank

7th in overall ranking (31 industries/350 companies)

2 years!

“[Quality of use](#)” and “[Satisfaction for price](#)” were evaluated, and the top ranking was maintained from the previous year

Placed First and Second in Many Categories in the "7th Nikkei Financial Institution Ranking"

*conducted by Nikkei

(): previous ranking



Customer satisfaction : 2nd (2nd)



Convenient to deal on phone and Internet: 1st (1st)

Want to use again : 1st (1st)



Product line-up of loans : 2nd (5th)



Customer satisfaction

by generation :	30's	2nd	(unranked)
	40's	2nd	(2nd)
	50's	1st	(unranked)



“Sony Bank ranked 1st in 30's and 40's while SBI Sumishin ranked 1st in 50's, signifying the wide penetration of online banks. (Nikkei Veritas Jan. 9, 2011)

SBI Insurance Praised for Offering Industry's Lowest Premiums



In Diamond Weekly “Auto Insurance Premium Ranking”^(*1): **No. 1**

3 Years!

2 Years!



In Oricon customer satisfaction ranking “Satisfaction in Insurance Premium”^(*2): **No. 1**

→ Also **No. 1** in Age Ranking (Customers aged 18 to 29)!



Kakaku.com “Automobile Insurance Satisfaction Ranking” satisfaction with insurance premiums: **No. 1**^(*3)

2 Years!



Rakuten “Popular Automobile Insurance Ranking”^(*4): **No. 1**
(among 9 insurers)

**(From Jan. 2010)
15 months!**



In a questionnaire conducted by SBI Insurance, 97% of the respondents answered “the premium became cheaper”^(*5)

(*1)The Diamond Weekly, Mar. 14, 2009 issue/Mar. 20, 2010 issue, Apr. 30/ May. 7, 2011 issue (*2)Oricon Customer Satisfaction Ranking for Fiscal 2010/Fiscal 2011 (*3)2011 Kakaku.com Automobile Insurance Satisfaction Ranking (*4)Rakuten's Insurance Mar. 2011 (*5)Internet survey conducted from 2/24/2011 to 2/28/2011, for 3,019 persons applying for automobile insurance with SBI Insurance

II: Following Major Trends

II: Following Major Trends

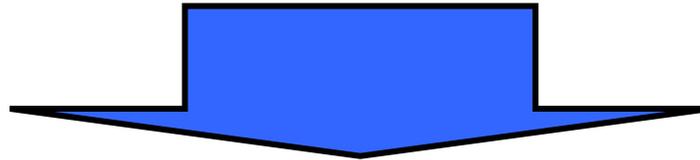
[Two big trends underling the rapid growth of the SBI Group since its inception in 1999]

Internet Revolution

Finanical Deregulation

Strategy:

 <1> Form Internet financial ecosystem and structural differentiation



[Two major key trends for further growth going forward]

Shift in Japan's industrial structure and transition to a post-industrial society

 <2> Focus on 21st century growth industries in a post-industrial society

Ascendance of emerging nations and the Asian Century

 <3> Accelerate overseas business development focused on the Asian region

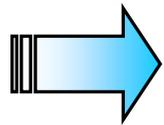
Strategy:

<1> Form Internet Financial Ecosystem and Structural Differentiation

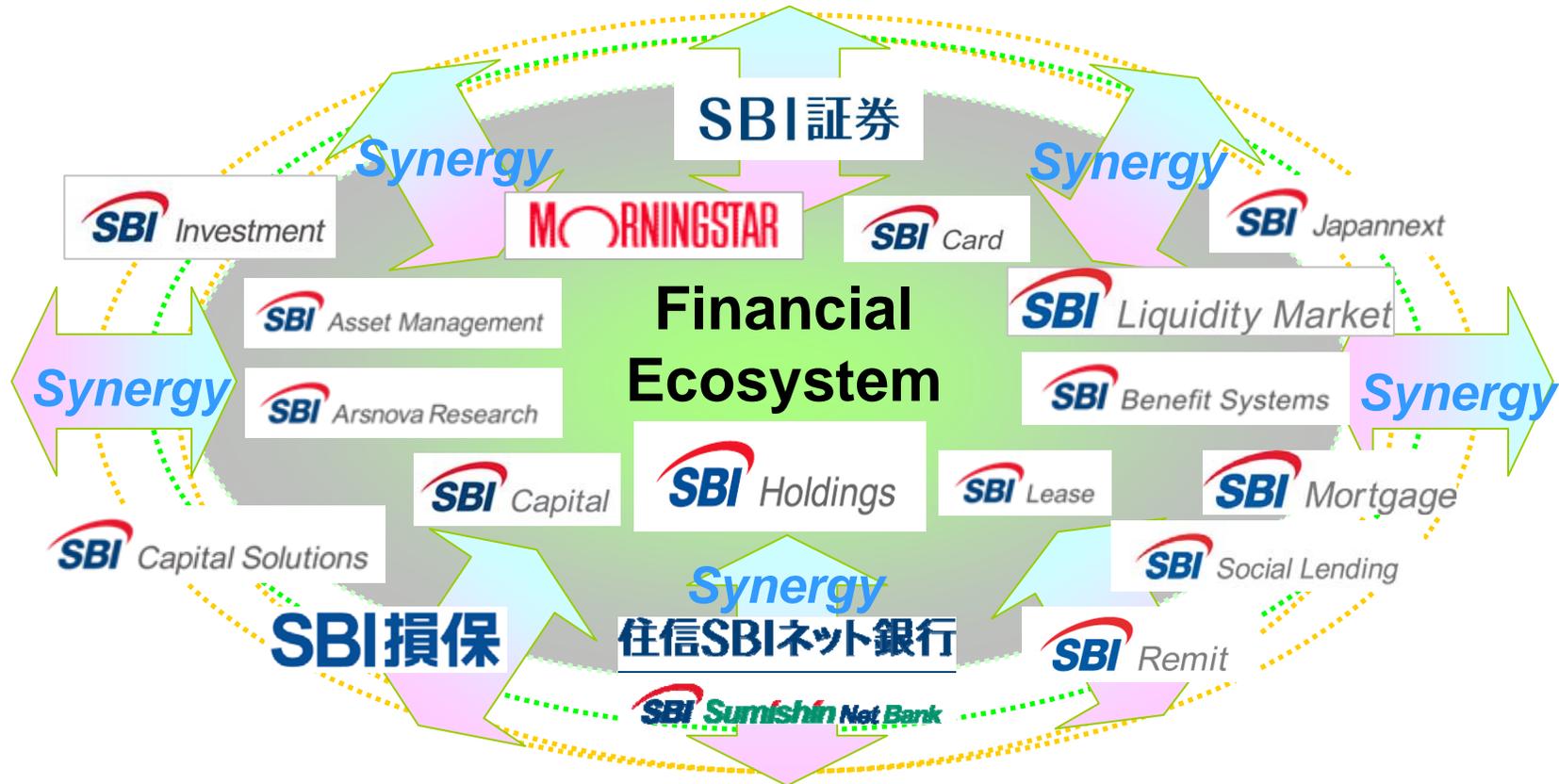
- i) Growth Acceleration Based on the Evolution and Enhancement of the Internet**
- ii) Current State of the SBI Group's Financial Business Ecosystem**
- iii) New Businesses Started as a Financial Innovator**
- iv) Expansion of Real Shops to Augment Internet Services**

Completion of SBI Group's Financial Business Ecosystem

Since the establishment of the SBI Group, we have been expanding our financial ecosystem to realize one list service, by forming a variety of joint ventures with leading companies in the financial industry



A world's unique Internet-based financial conglomerate to realize one-stop service is established



i) Growth Acceleration Based on the Evolution and Enhancement of the Internet

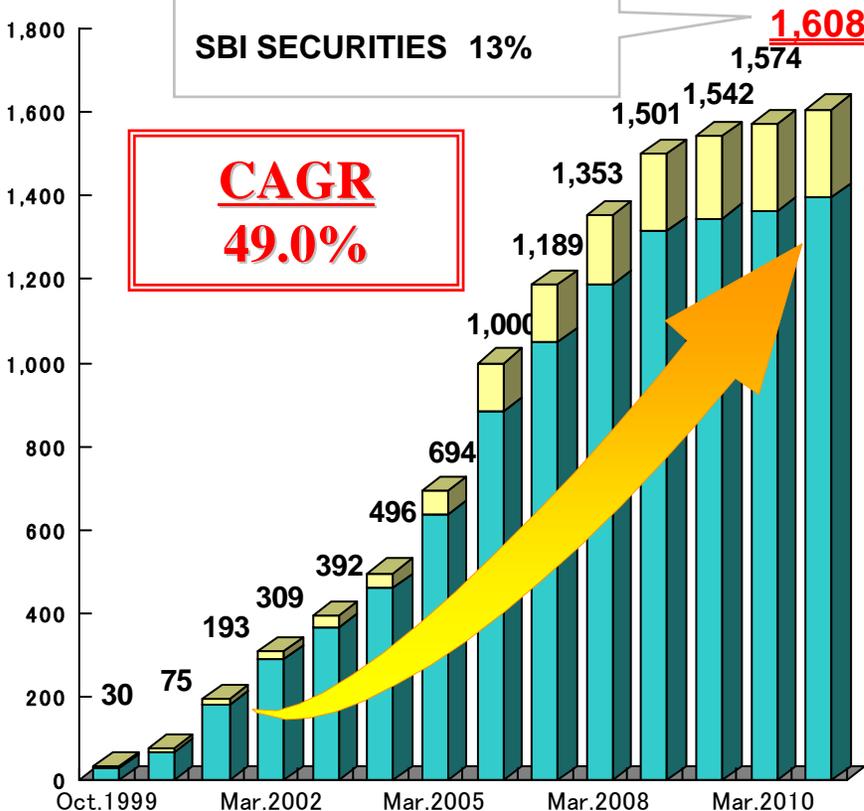
The evolution of the Internet, with enhanced speed, network ubiquity, and fuller Web expression options, is spurring Internet entrenchment and utilization even in fields where it was previously unused.

Dramatic Growth in Internet Financial Services (Securities and Banking)

Number of accounts at online securities companies expanded by 50 times in 11 years
Number of customer accounts at pure-play internet banks increased by approx. 100 times in 10 years

Number of accounts at online securities companies

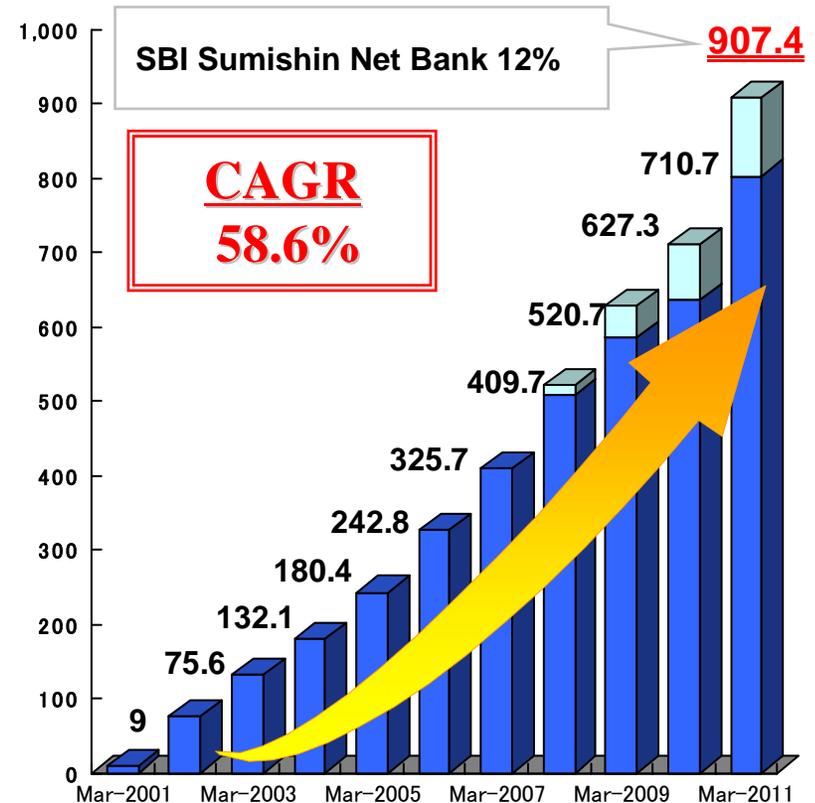
(ten thousands)



Source: Japan Securities dealers association, "Survey of Online Trading" (Sept. 2010), records began in Oct. 1999

Number of customer accounts at pure-play internet banks

(ten thousands)



* Compiled by SBIH from information disclosed by each company. Pure-play internet banks refer to SBI Sumishin Net Bank, Japan Net Bank, Sony Bank, Rakuten Bank and Jibun Bank. As of Mar. 2011

The Internet Immersed Generation is Growing Up (Securities)

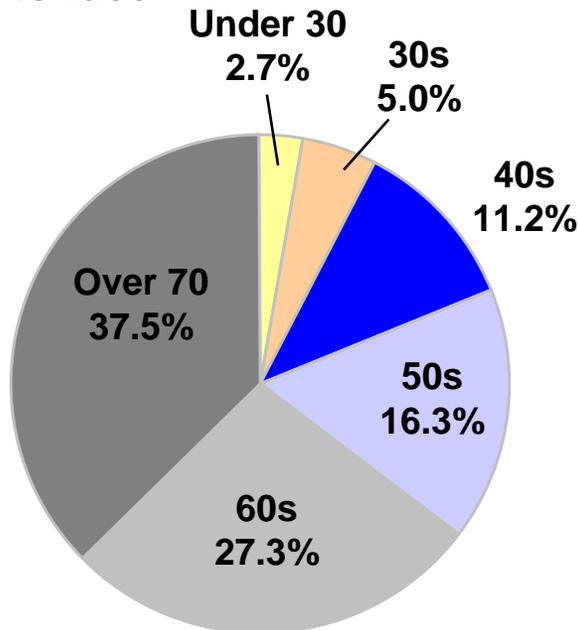
Start of commercial Internet in Japan: 1992



The generation immersed in the Internet since childhood have started full-scale purchases and financial activities from around 2010

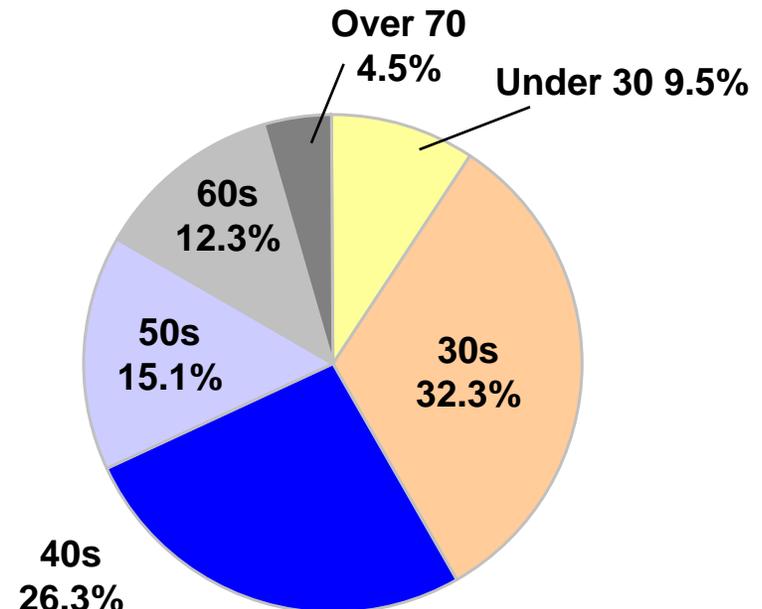
Breakdown of SBI SECURITIES' customers' age by channel (as of Mar. 2011)

■ Face-to-face



The older generation as a percentage of customers of the face-to-face channel is generally higher

■ Online

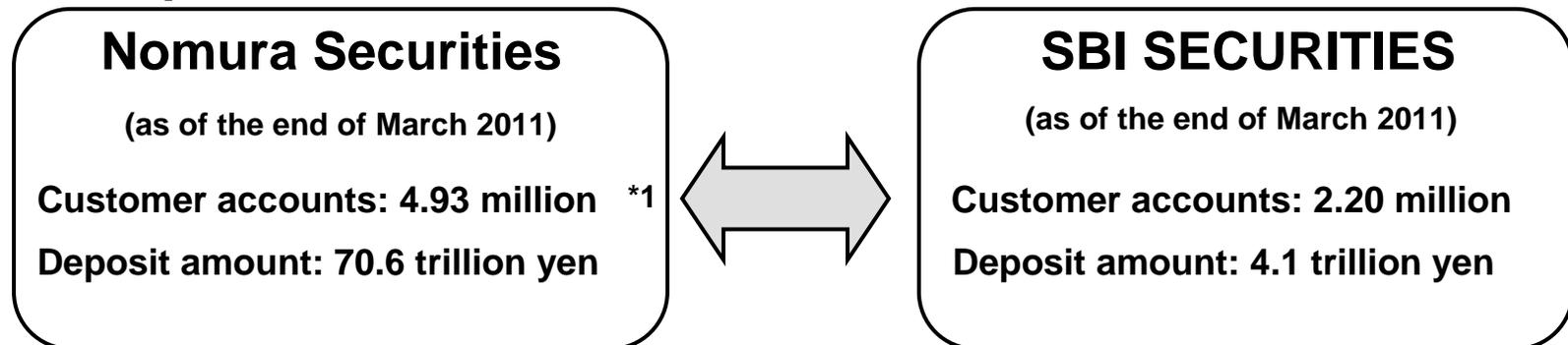


As time goes by, assets of the current 20s and 30s will increase, and most of them will not move to face-to-face transactions. Therefore, **per capita fee is expected to increase**

The Internet Immersed Generation's Growing Assets

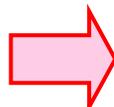
<Present> Customer assets at conventional securities firms are substantially larger than those of online securities firms

Example



<Future>

- **Asset growth of young people who are the main customers of online securities firms**
- **Transference of assets from the elderly generation, due to their retirement, inheritance, etc**

 **Expansion of customer assets at online securities firms can be expected**

*1 customer accounts with deposits

SBI SECURITIES' Ranking in Terms of Customer Assets

(As of the end of March 2011)

Ranking by customer assets

Unit: bil. yen

1	Nomura	70,628.4
2	Daiwa	42,748.0
3	SMBC Nikko	30,569.2
4	Mitsubishi UFJ	23,928.8
5	Mizuho	20,939.9
6	Mizuho Investors	7,115.3
7	SBI	4,169.6
8	Tokai Tokyo	3,858.3
9	Okasan	3,830.4
10	SMBC Friend	3,293.8
11	Monex	2,257.9
12	Rakuten	1,528.9
13	Matsui	1,280.4
14	Kabu.com	1,109.3

*1 Compiled by Nikkan Kogyo Shimbun

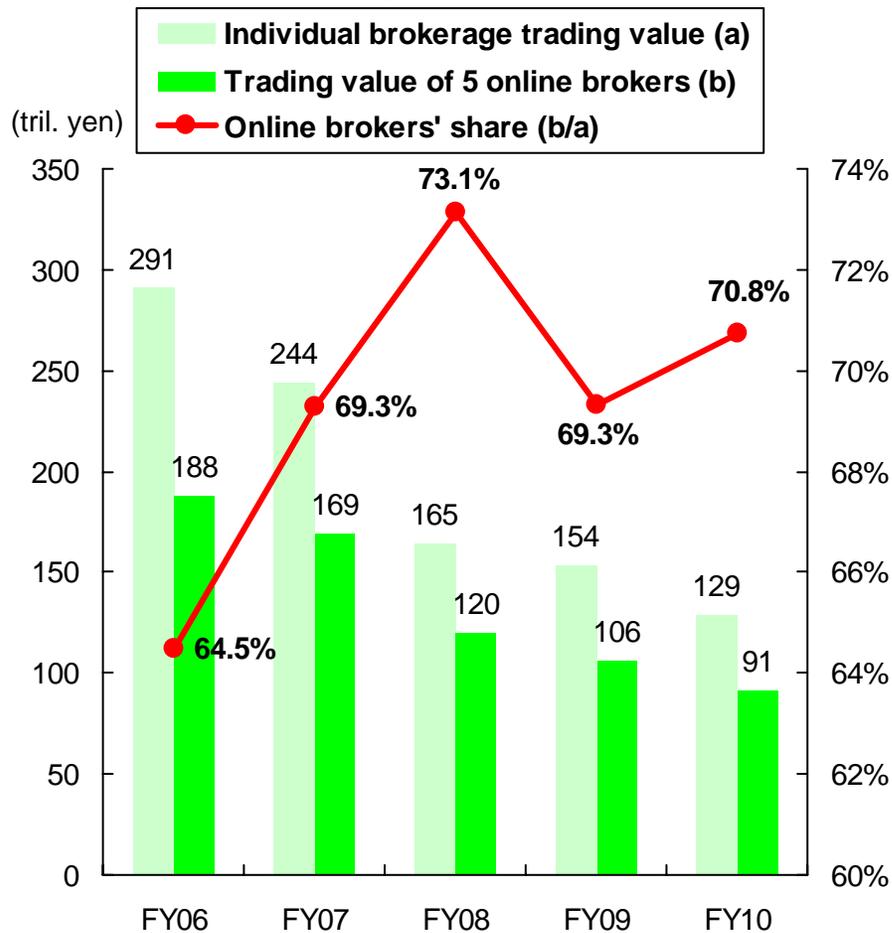
*2 Ranking among securities companies with over 20 billion yen in net operating revenues, and five online brokers

*3 Customer assets at Daiwa refer to sum of those at two securities subsidiaries

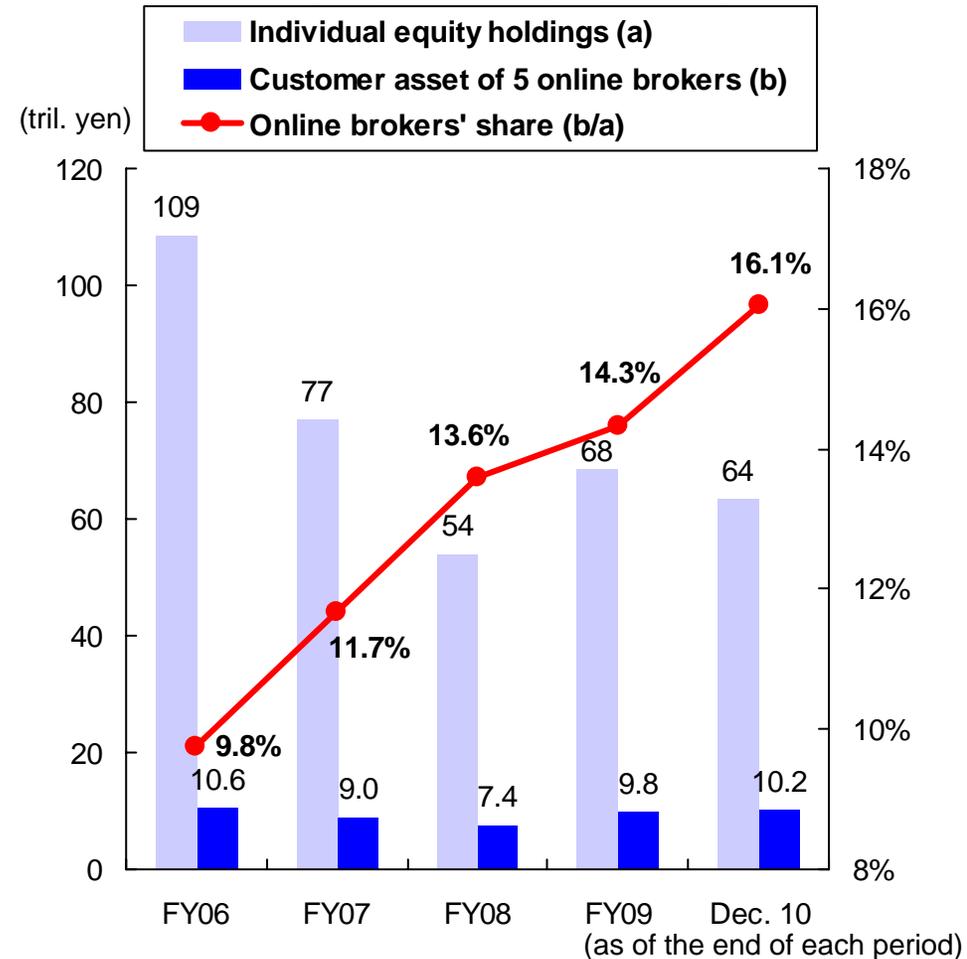
Online Brokers' Share of Retail Stock Trading Market

Online brokers' share of "stock" is expected to increase further

Change in the share of individual stock trading value (flow)



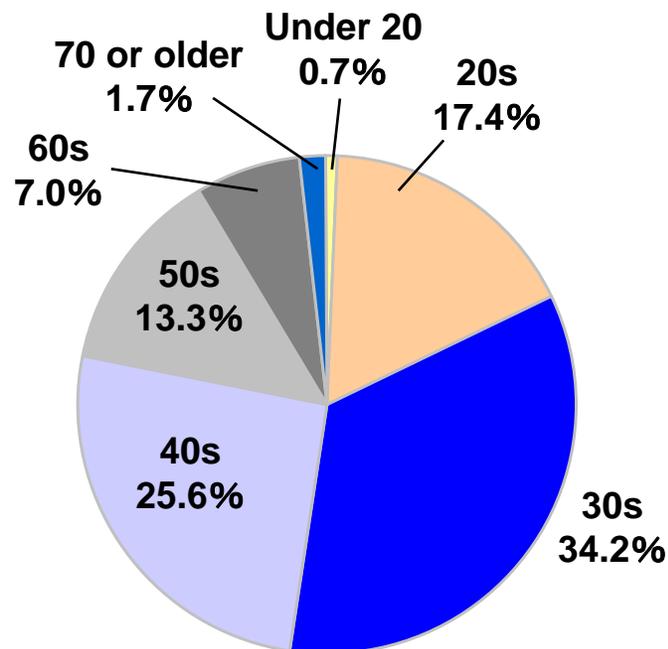
Change in the share of individual equity holdings (stock)



The Internet Immersed Generation is Growing Up (Banking)

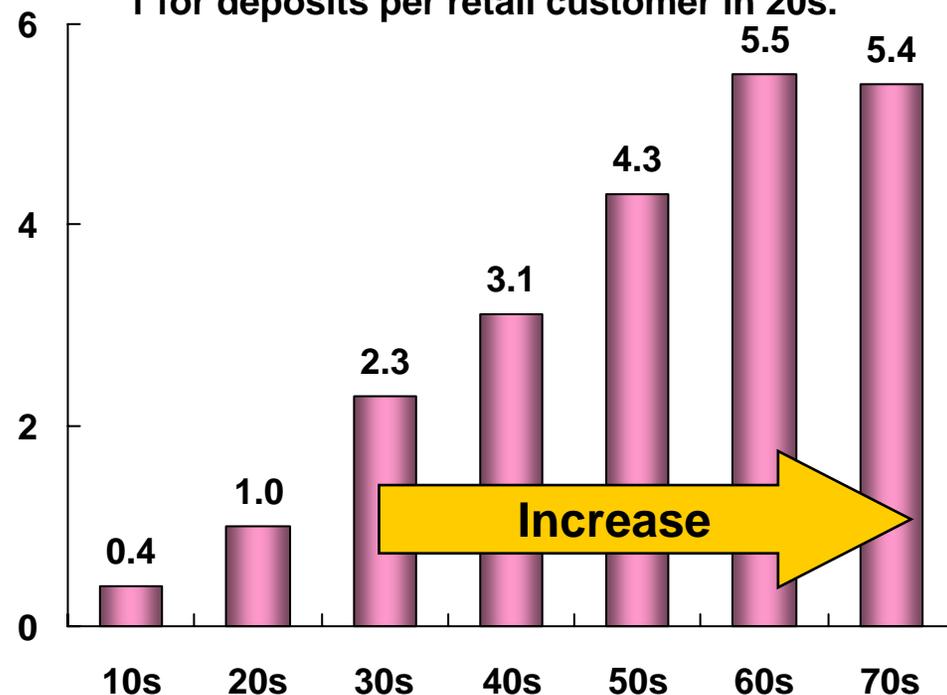
Customers of SBI Sumishin Net Bank, Ltd. (As of March 31, 2011)

■ Retail customer age brackets



■ Deposit per customer

* Indexed figures assuming a base value of 1 for deposits per retail customer in 20s.



The assets of retail customers currently in their 20s and 30s will increase over time, along with increases in various financial transactions for asset management purposes. The same trend will also be experienced at SBI SECURITIES Co., Ltd.

Smart choices enabled by the establishment of a retail customer market

Interest earned on 1 million yen time deposit (deposit period: one year)

	Average for three major city banks*2	SBI Sumishin Net Bank	Sony Bank	Rakuten Bank	Japan Net Bank
Interest (yen)	300	1,950	1,770	1,900	2,200

Note: A green double-headed arrow indicates that SBI Sumishin Net Bank's interest (1,950 yen) is 6.5 times that of the average for three major city banks (300 yen).

No. of times per month convenience store ATMs can be used free of charge

	Major city banks	SBI Sumishin Net Bank	Sony Bank	Rakuten Bank	Japan Net Bank
Frequency	Four times if conditions are met	Five times; no conditions	Four times: no conditions	Depends on deposit balance	At least once depending on deposit balance

Note: A blue double-headed arrow indicates that SBI Sumishin Net Bank offers one more free ATM use per month compared to major city banks.

No. of times remittances can be sent free of charge (to other banks)

	Major city banks (teller)	SBI Sumishin Net Bank	Sony Bank	Rakuten Bank	Japan Net Bank
Frequency	None (fees start from ¥630)	Three times * Excluding Rakuten Bank	None (fees start from ¥210)	Three to five times if conditions are met	Five times if average deposit balance for previous month is ¥30 million or more

Note: A blue double-headed arrow indicates that SBI Sumishin Net Bank offers more free remittance transactions than major city banks.

(*1) Both are before tax. Compiled by SBIH from information disclosed by each company as of May.11, 2011

(*2) Bank of Tokyo Mitsubishi UFJ, Sumitomo Mitsui Banking Corporation, and Mizuho Bank

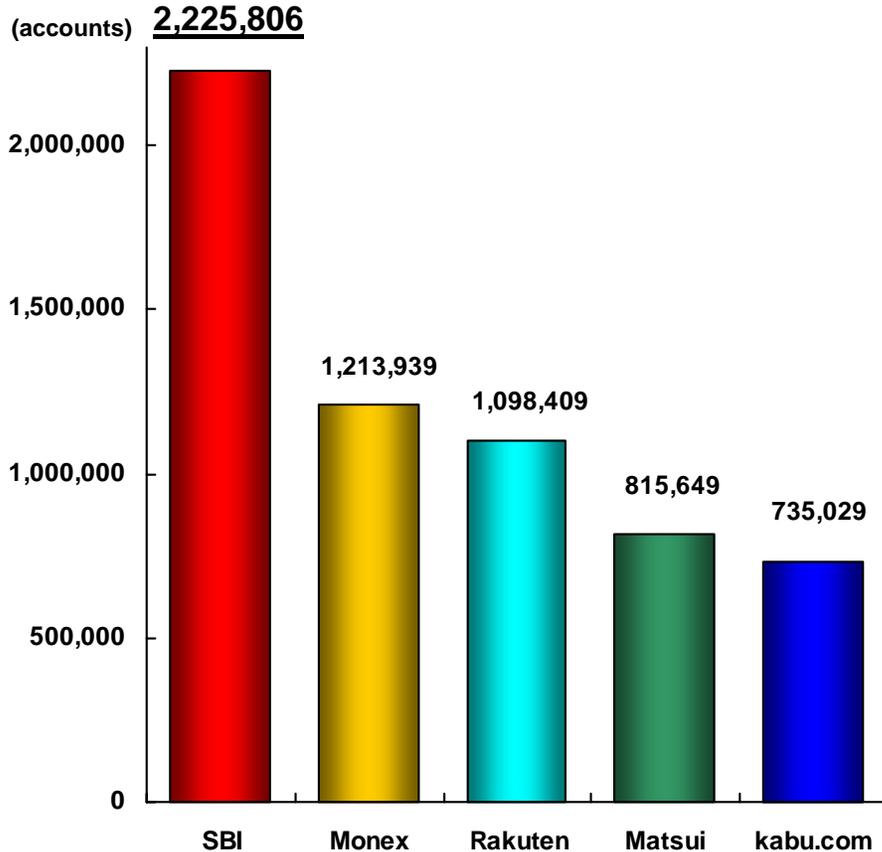
ii) Current State of the SBI Group's Financial Business Ecosystem

- SBI SECURITIES**
- SBI Sumishin Net Bank**
- SBI Insurance**
- SBI Japannext**

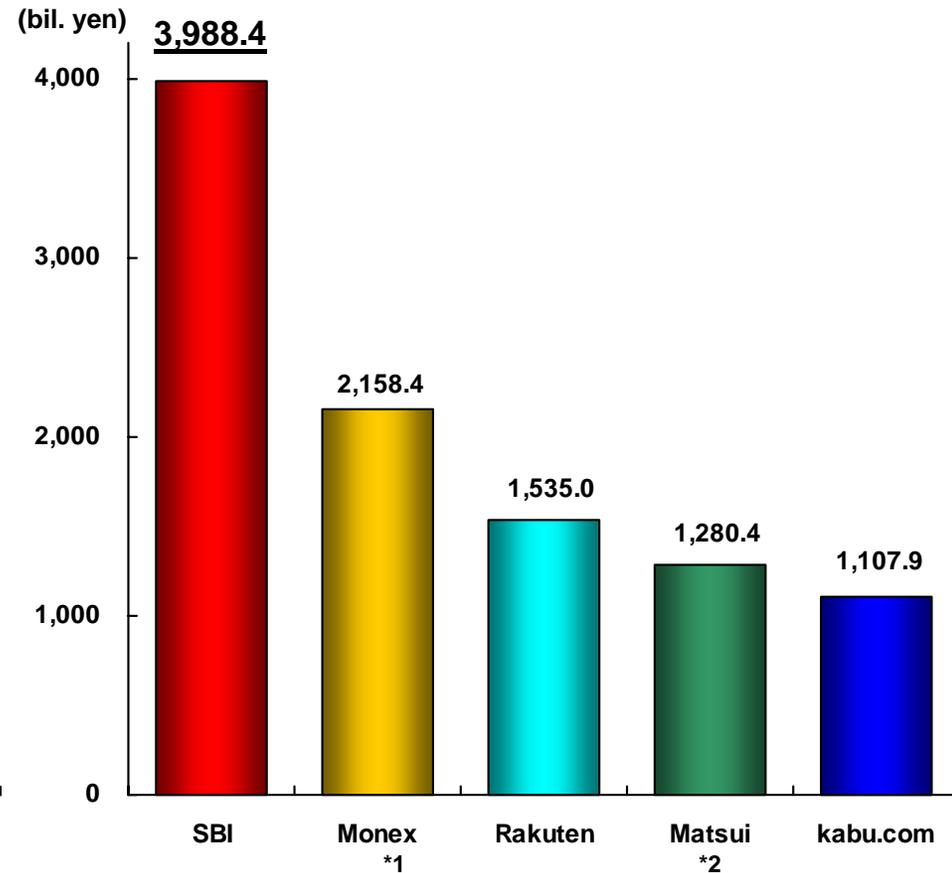
Solid Customer Base of SBI SECURITIES <1>

Customer Accounts and Deposit Assets of 5 Major Online Securities Companies
(as of the end of Apr. 2011)

Customer Accounts



Deposit Assets



Source: Compiled by SBIH based on websites and other public information for each company

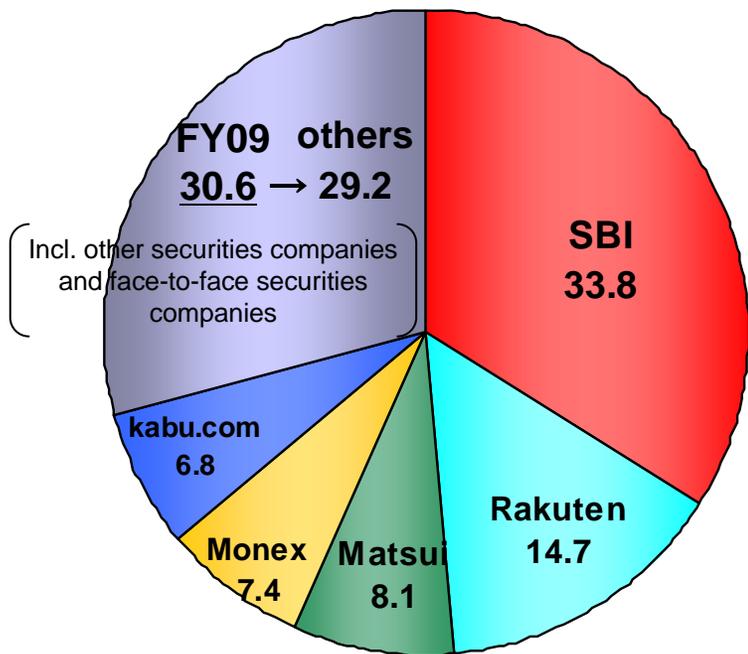
*1 Monex, Inc. and ORIX Securities Corporation merged in May 2010

*2 Figures of Matsui is as of the end of Mar. 2011, for the amount of deposit assets are undisclosed as of Apr. 2011

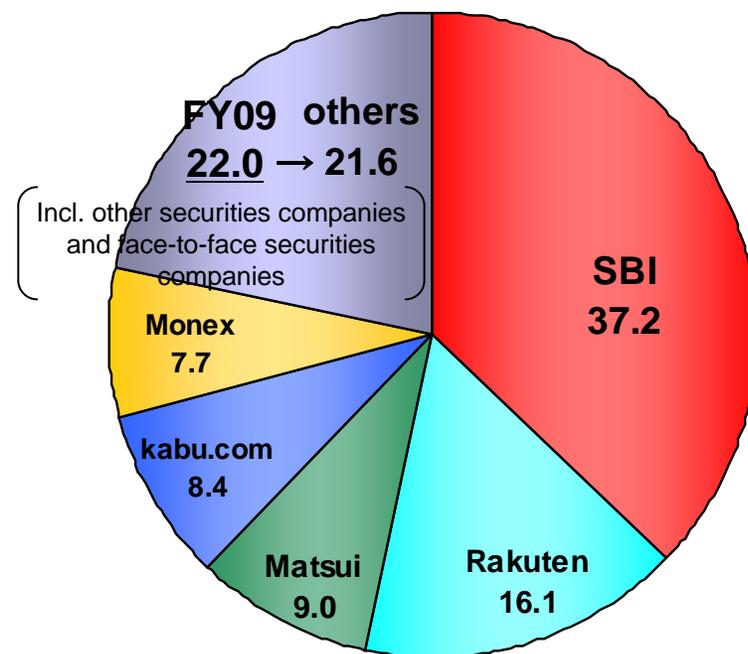
Solid Customer Base of SBI SECURITIES <2>

SBI SECURITIES maintained its substantial share of the individual trading value and individual margin trading value, while the share of the other securities firms, excluding the 5 major online securities firms, declined.

Share of individual stock trading value
Share in FY2010
 (Apr. 2010-Mar. 2011)



Share of retail margin trading value
Share in FY2010
 (Apr. 2010-Mar. 2011)



Source: Compiled by SBI SECURITIES based on Tokyo Stock Exchange and JASDAQ materials and Web sites and other public information of each company.

*Retail stock brokerage trading value is the sum of Tokyo, Nagoya and Osaka exchanges (first, and second divisions) and JASDAQ.

*The numbers for SBI SECURITIES are based solely on the Internet division.

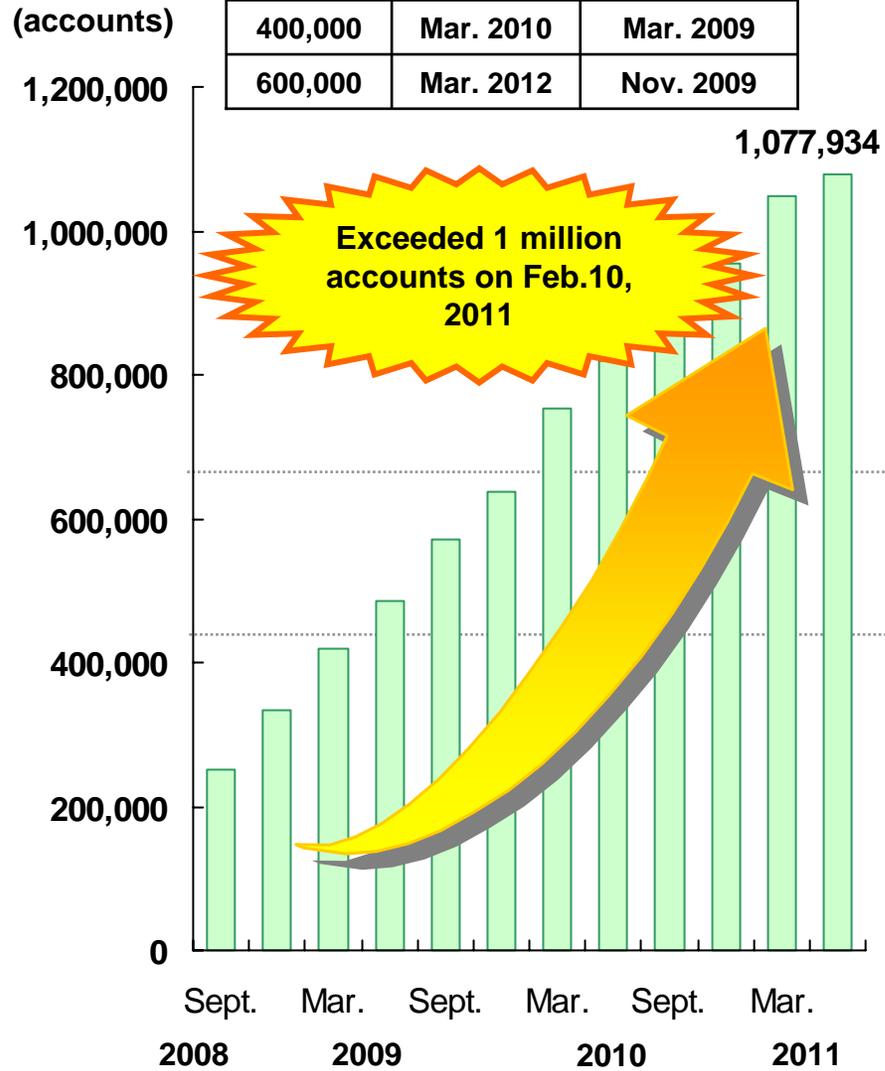
*Monex merged with Orix on May 1, 2010.

Change in Number of Accounts and Deposits

Change in numbers of accounts

May. 12, 2011: 1,093,045 accounts

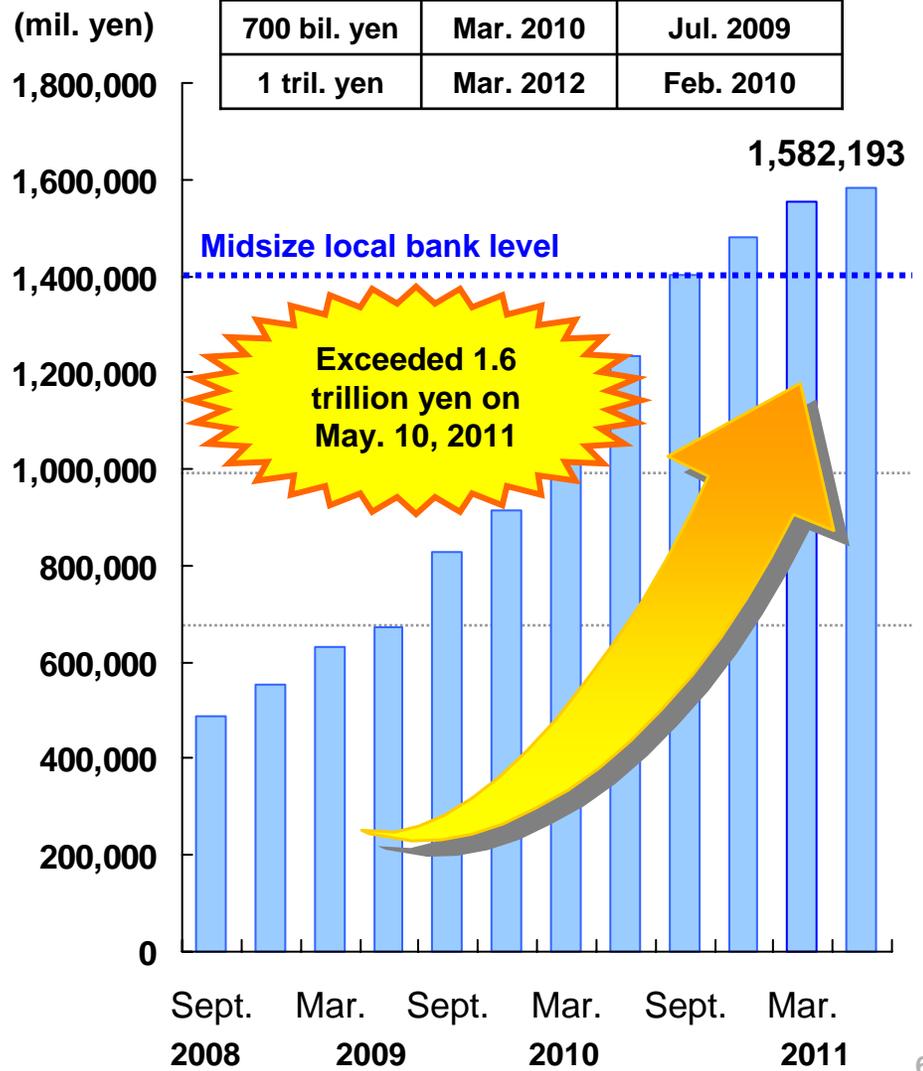
Accounts	Initial target	Achievement
400,000	Mar. 2010	Mar. 2009
600,000	Mar. 2012	Nov. 2009



Change in deposits

May. 12, 2011: 1,608.7 bil. yen

Deposit	Initial target	Achievement
700 bil. yen	Mar. 2010	Jul. 2009
1 tril. yen	Mar. 2012	Feb. 2010



SBI Sumishin Net Bank vs. Sony Bank <1>



(Launched in Sept. 2007)

(Launched in Jun. 2001)

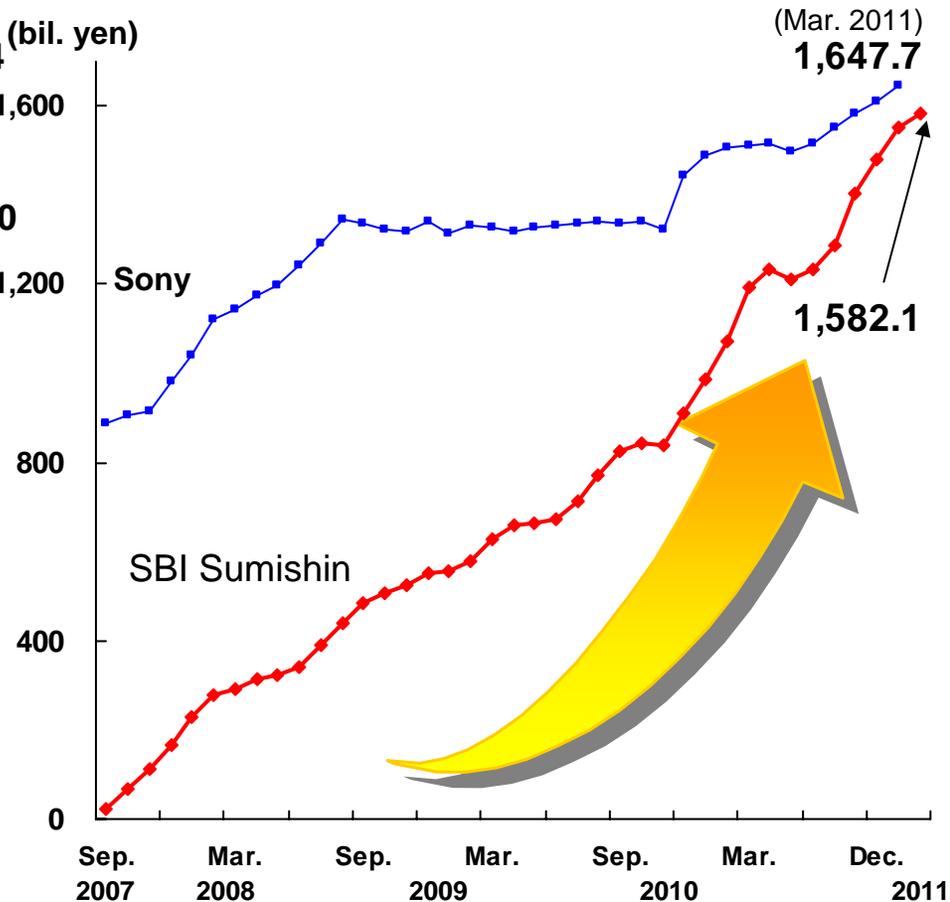
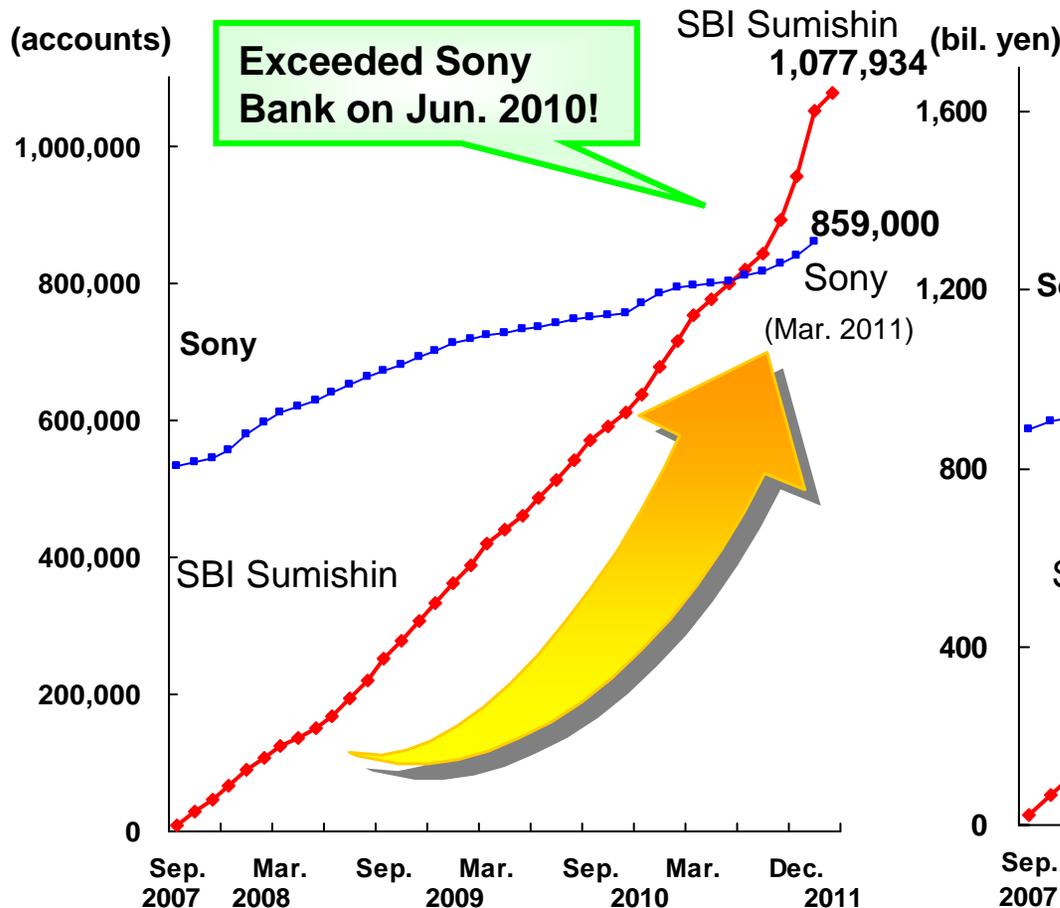
*Sony Bank refrained from monthly disclosures after Aug. 2010

Change in number of customer accounts

(From Sept. 2007 to Apr. 2011)

Change in deposit amount

(From Sept. 2007 to Apr. 2011)



Both number of customer accounts and deposit amount at SBI Sumishin Net Bank recorded solid growth

First Place among Pure-play Internet Banks in Terms of Deposits is Within Reach

(May. 10, 2011)

SBI Sumishin Net Bank's deposits exceeded 1.6 trillion yen

Sony Bank's deposits (Mar. 2011): 1,647.7 bil. yen

(within Jun. 2011) *plan

**SBI SECURITIES will finalize new MRF purchases;
encourage customers to promote SBI hybrid deposits
at SBI Sumishin Net Bank**

SBI証券
(SBI SECURITIES)



SBI Sumishin Net Bank

MRF balance
(Apr. 2011)
379.1 bil. yen



SBI Hybrid Deposits

**The bank's profitability will be
increased substantially**

SBI Sumishin Net Bank vs. Sony Bank <2>

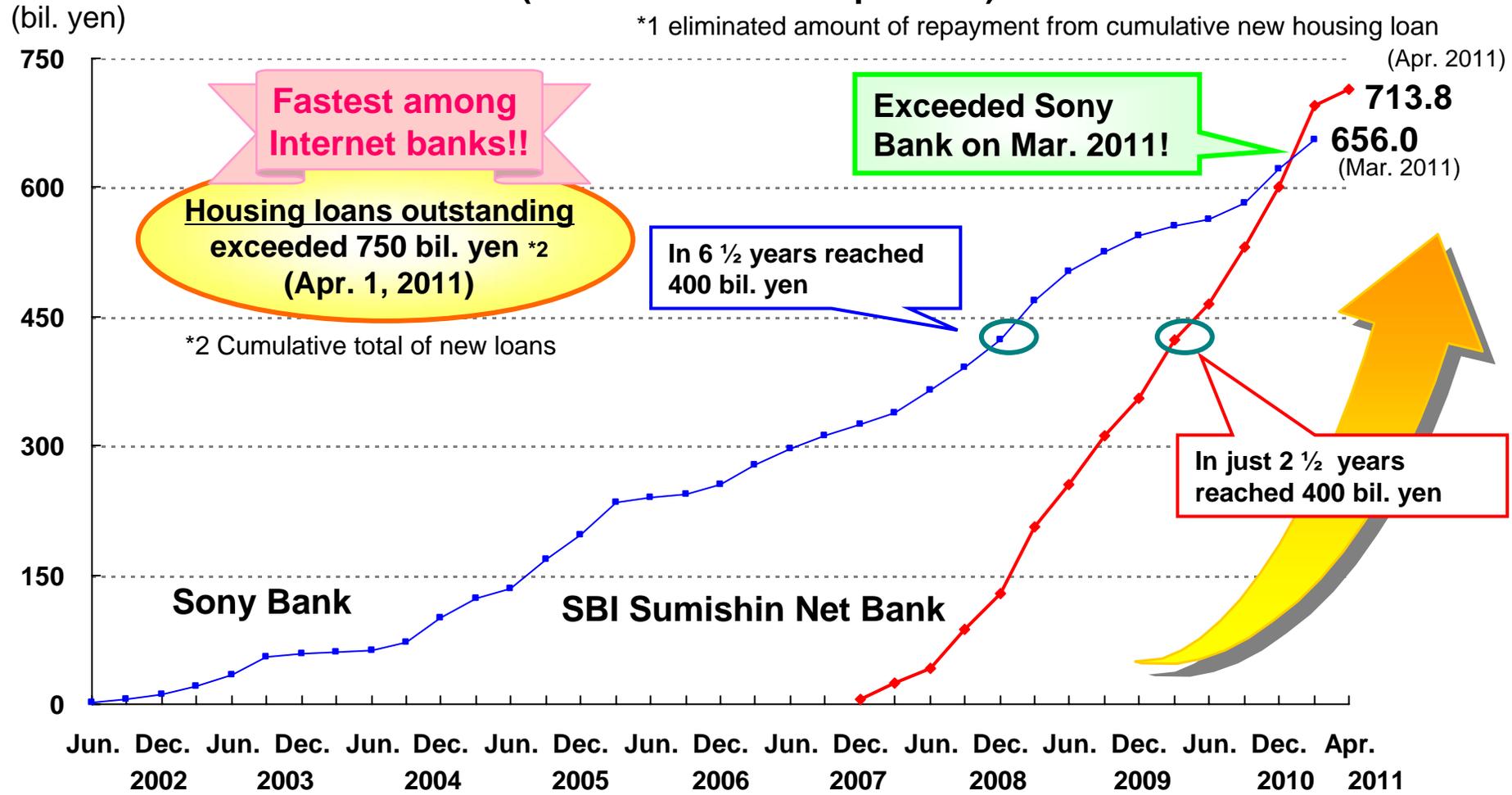
(Launched in Sept. 2007)

(Launched in Jun. 2001)



Change in balance of housing loans *1

(from Jun. 2002 to Apr. 2011)

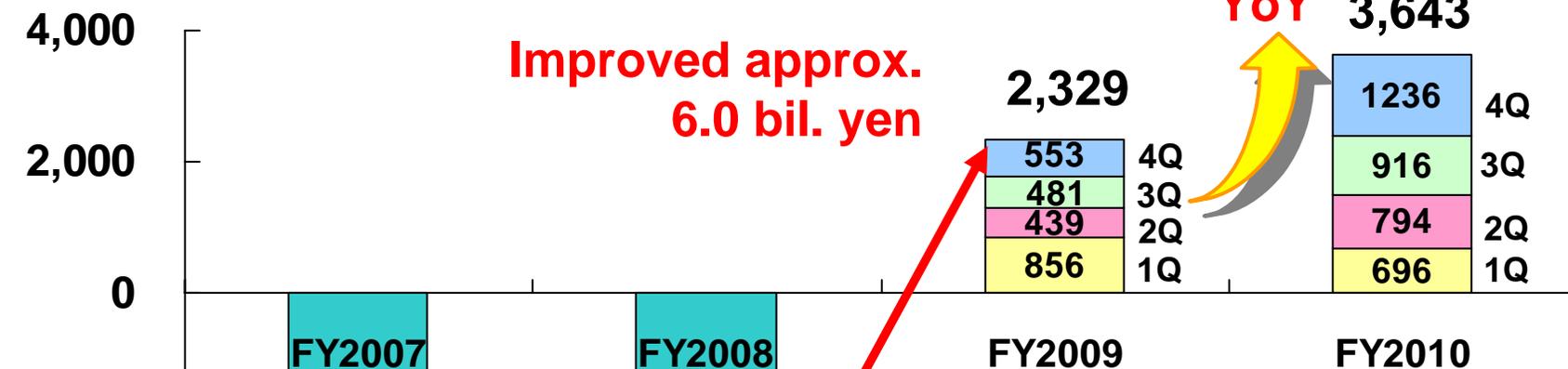


The housing loans outstanding has increased to approx. 2.0X in a year

Recorded Profit Growth of Over 56% Year-on-year in FY2010

Change in ordinary income and loss (non-cons):

(mil. yen)



For the second consecutive year achieved single year profit

Achieved single year profit

+56.4%
YoY

Improved approx. 6.0 bil. yen

Achieved a single month profit for the first time in Jan. 2009
 Achieved a single quarter profit (net profit of 135 mil. yen) for the first time in 4Q FY2008

Recorded Highest Ordinary Income Among Pure-play Internet Banks

<Performance comparison>

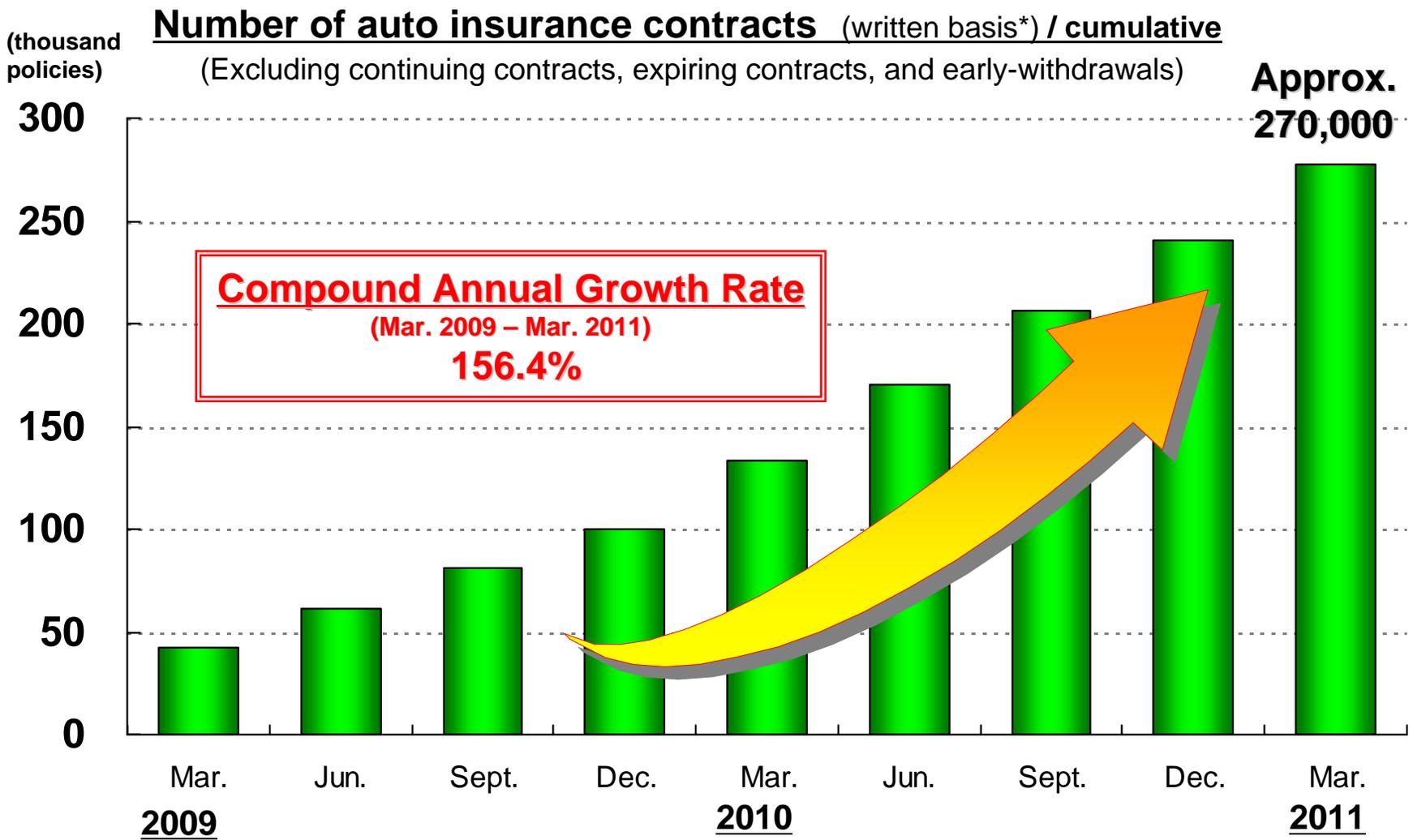
(Unit: mil. yen)

Ordinary Income <small>*Consolidated except for Japan Net Bank</small>	FY2009	FY2010	YoY (%)
SBI Sumishin Net Bank (Started in Sept. 2007)	2,306	3,663 	+58.8
Sony Bank (Started in Jun. 2001)	2,429	2,908	+19.7
Rakuten Bank (formerly eBank) (Started in Jul.2001)	1,765	2,707	+53.3
Japan Net Bank <small>*non-cons</small> (Started in Oct. 2000)	2,290	2,102	-8.1

Source: Data disclosed by each bank

More than 270,000 Contracts Written

Number of contracts written during FY2010 was approx. 144,000, for an increased of over 58.0% YoY



* Written basis: Completion of receipt of insurance premium

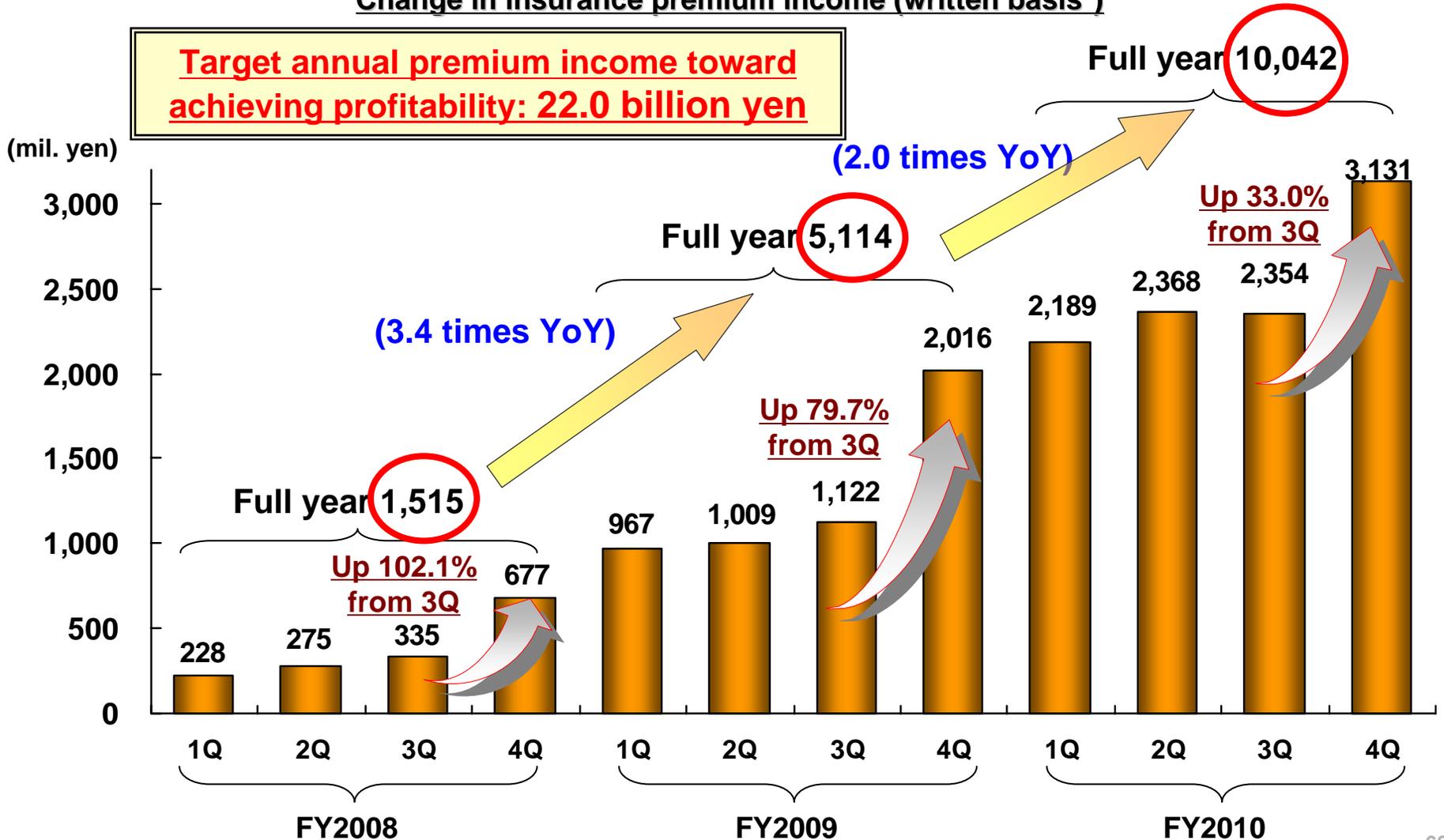
SBI Insurance: Insurance Premium Income at SBI Insurance Continues to Increase



The income for FY2010 was approx. 10 bil. yen and nearly doubled on a yearly basis, reflecting robust growth

Change in insurance premium income (written basis*)

Target annual premium income toward achieving profitability: 22.0 billion yen



* Written basis: Completion of receiving transaction of insurance premiums

Comparison of Per-contract Cost Among Major Direct Auto Insurers

■ **Per-contract cost** (*cost refers to operating and general administrative expenses of the period)

*Comparing per-contract cost at the time when the number of contracts was approximately 270 thousand for each company



Company (Period)	Number of contracts	Cost (mil. yen)
Sony Insurance (FY2001)	Approx. 270,000	9,513
Mitsui Direct (FY2003)	Approx. 260,000	5,136
SBI Insurance (FY2010)	Approx. 270,000	3,509



(*)
Per-contract cost
(Unit: yen)

Sony Insurance: 35,233

Mitsui Direct: 19,754

SBI Insurance: 12,996

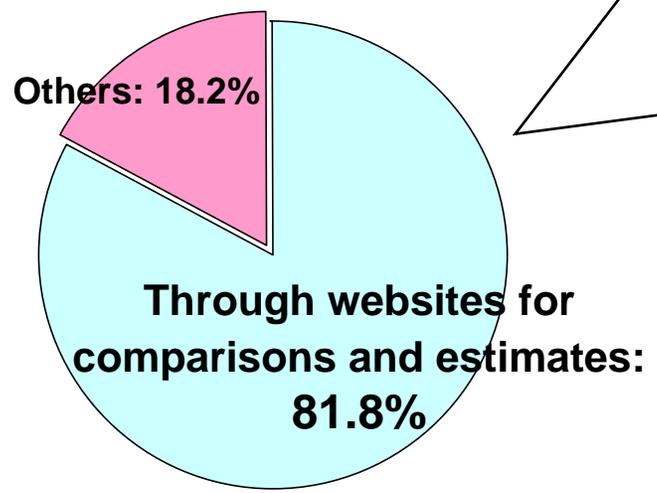
(*) Per-contract cost is a simple quotient (operating and general administrative expenses over number of contracts of the period), and it differs from acquisition cost per contract

Synergy between SBI Holdings and InsWeb

Comparison of number of contracts at SBI Insurance by channel

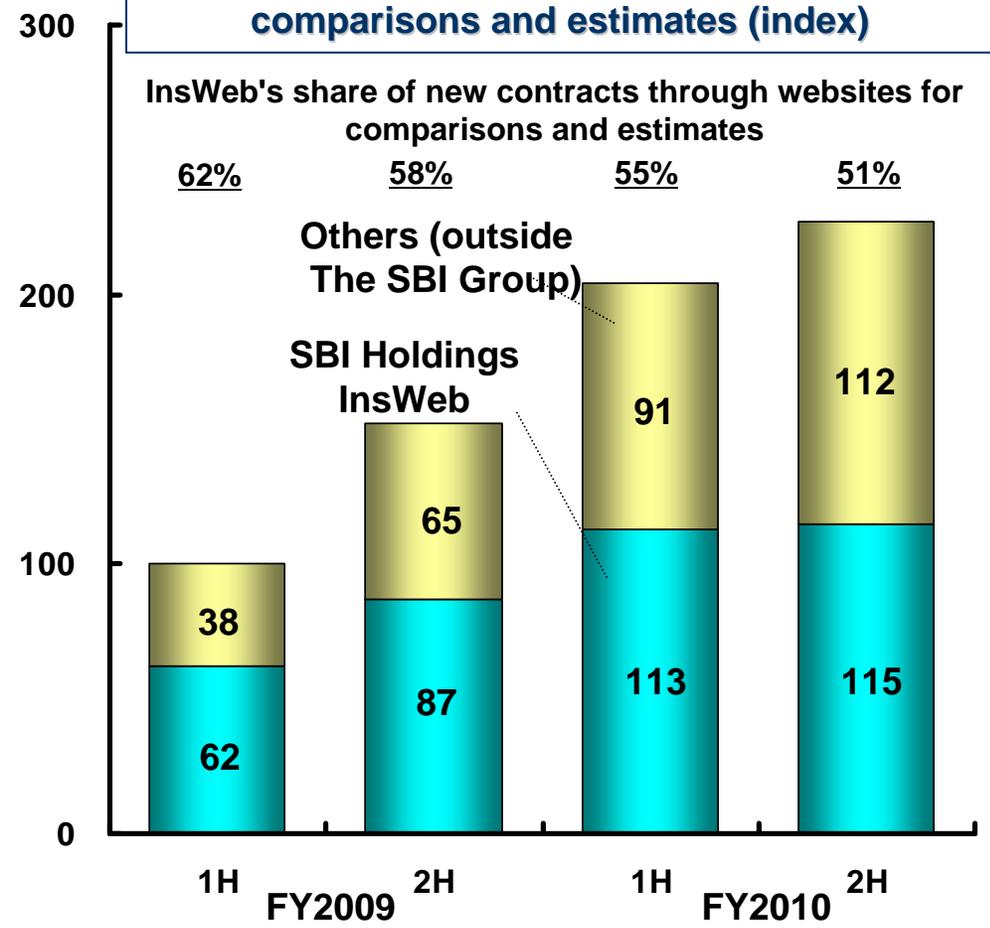
Share of new contracts through "websites for comparisons and estimates"

(Oct. 2010– Mar. 2011)



*Excluding direct contracts at SBI Insurance

Breakdown of contracts through websites for comparisons and estimates (index)

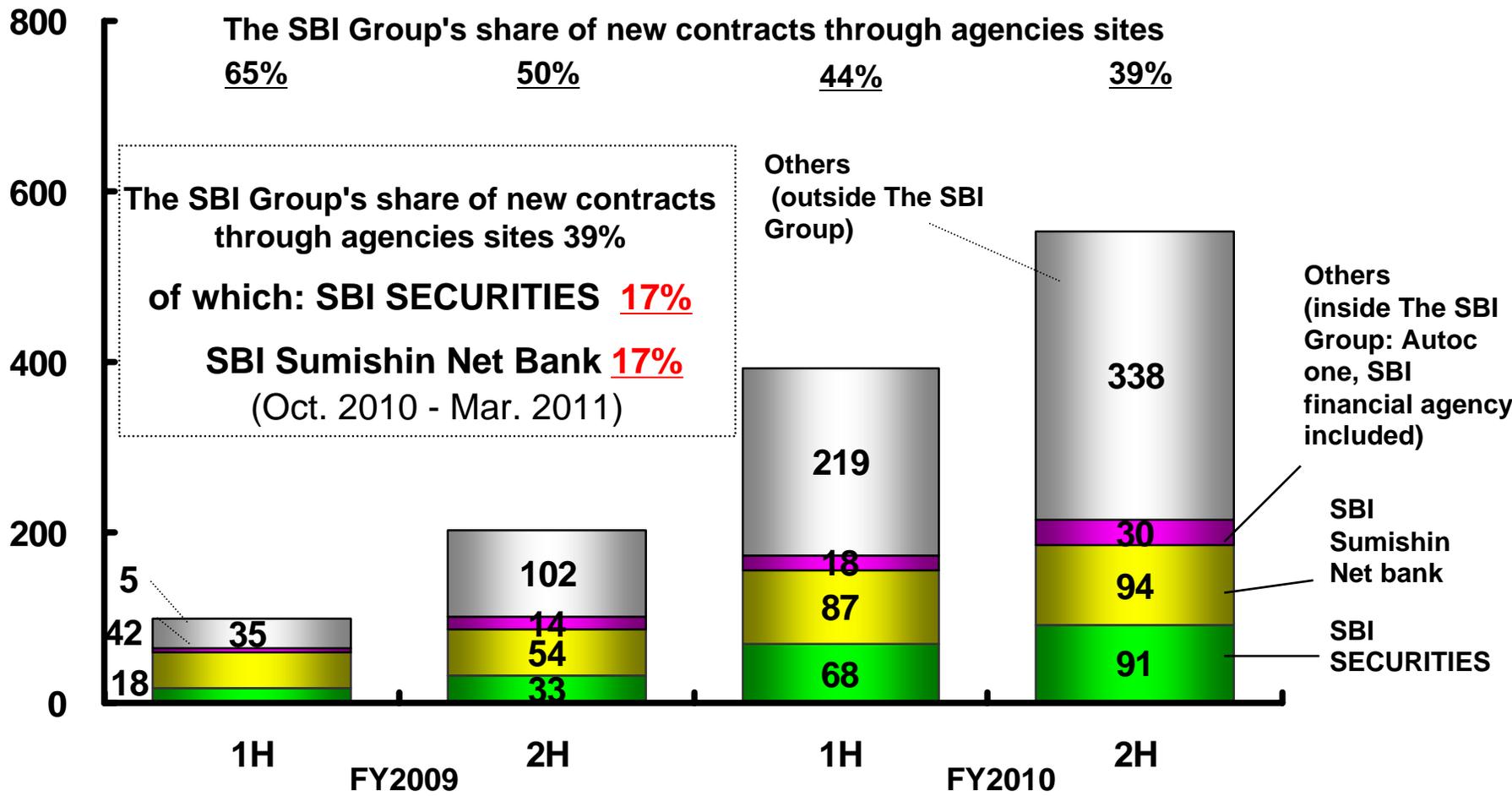


* The number of contracts in Apr.–Sept. 2009 =100

Over 80% of contracts are obtained from "websites for comparisons and estimates", of which InsWeb accounts for over half

Comparison of number of contracts at SBI Insurance by channel

Number of contracts at each agency channel (index)



Contracts via SBI SECURITIES and SBI Sumishin Net Bank have considerably contributed to an increase in “contracts through agency”⁷¹

“Inaugural Year of PTS” 2011

Continuing Its Strong Performance Since the Previous Year,
 “Japannext PTS” Steadily Increases Its Trading Value

Change in monthly value
 (From Apr.2010 to May.2011)



[Avg. daily trading value for May]
**Recorded 19.9 bil. yen,
 a new high**

Monthly value comparison of domestic PTS
 (FY2010)

Market	Monthly avg.
Japannext PTS	193.6 bil yen
Chi-X Japan	(*1) 139.0 bil yen

No.1 in Japan!

(*1) The figure for Chi-X is average value for 8 months (from Aug. 2010 to Mar. 2011), as it started operations on Jul.29, 2010

[Participating companies] (15 in total)

-2 firms have newly connected in 2011-

SBI SECURITIES*2, Rakuten Securities*2, GMO CLICK Securities*2, Goldman Sachs Japan, Credit Suisse Securities (Japan) Limited*2, Merrill Lynch Japan Finance Co., Ltd.*2, UBS Japan, Morgan Stanley MUFG Securities, Instinet, BNP Paribas Securities (Japan) Limited, Deutsche Securities, Citigroup Global Markets Japan, Societe Generale Securities, JPMorgan Securities*3, Mizuho Securities*3

[Companies expected to participate](5 in total)

Daiwa Capital Markets, Barclays Capital Japan Limited, Nomura Securities, and two other companies

(*) Trading value is based on “single count”.
 Figures are compiled by SBI Japannext.

*2 Capital participation *3 Newly connected in 2011

Trading Value at Domestic PTS Market Also Expanded Significantly Year-on-year

Newspaper article

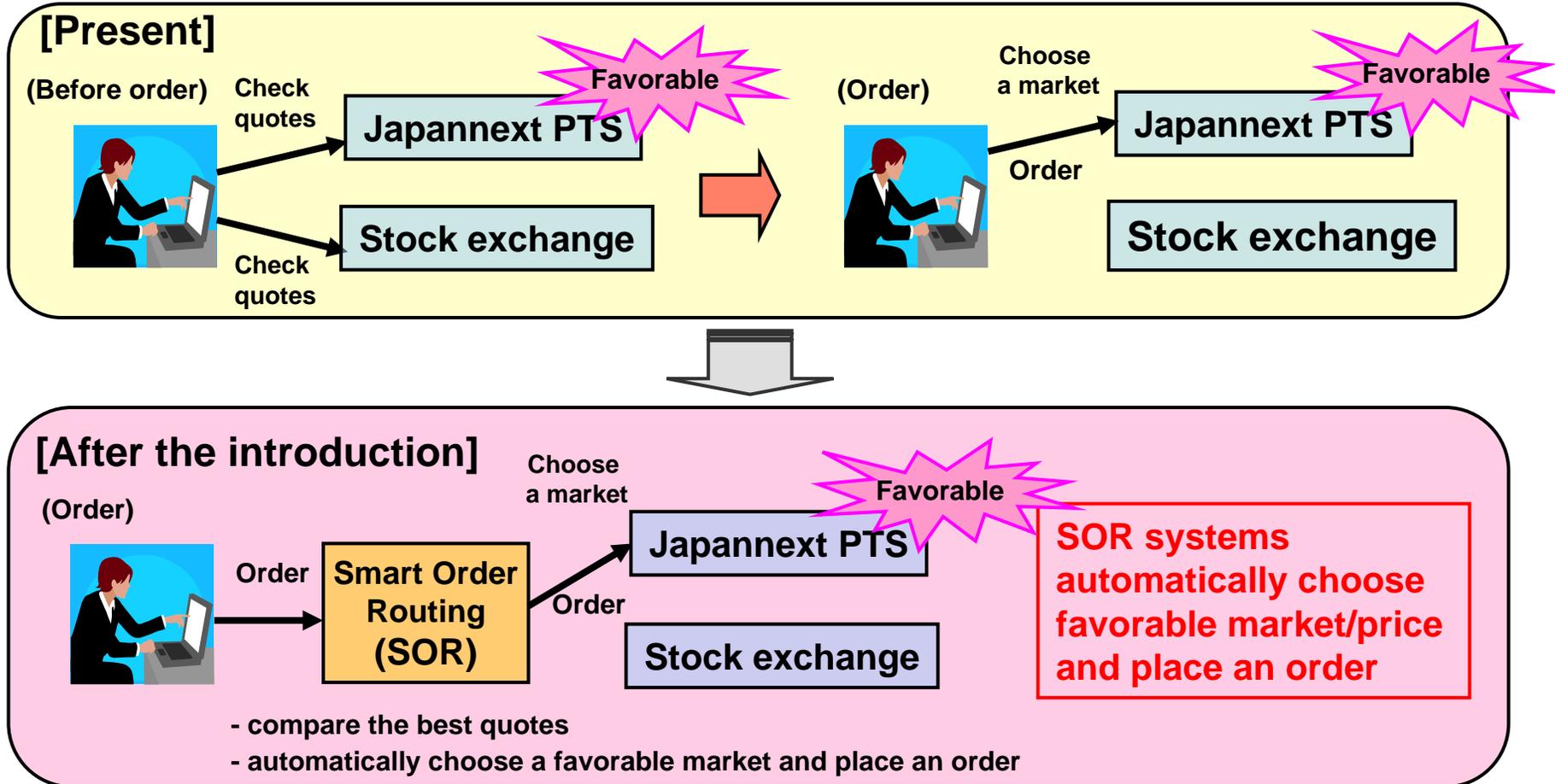
- ***The use of 'PTS (Proprietary Trading System)' is increasing. Its trading value for FY2010 was approximately 4.3 trillion yen, increasing 70% year-on-year.***
- ***In this summer, SBI SECURITIES, the largest online securities firm, is going to introduce an automatic ordering system that places orders by comparing the prices between stock exchanges and PTS.***
- ***PTS users are mainly foreign investors. If online brokers expand this service, individuals may increase the use of PTS.***

Introduction of Best Execution System at SBI SECURITIES

(Scheduled for June 2011)



Change in order process due to the introduction of the system (image)



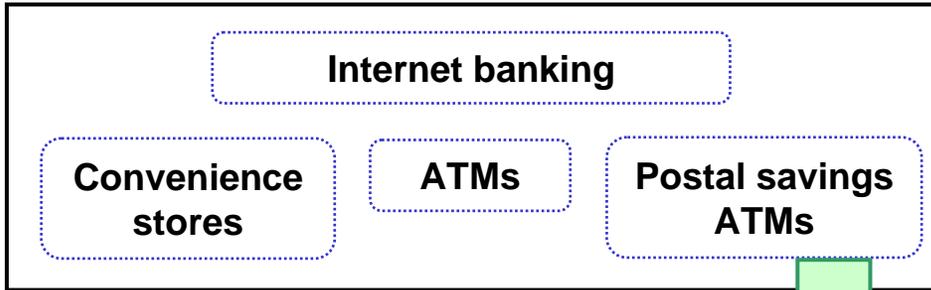
Differentiation from other competitors through offering a dealing system prioritizing investors' profits

iii) New Businesses Started as a Financial Innovator

- International Money Transfer Service
: SBI Remit**
- Person-to-person Lending, Social Lending
: SBI Social Lending**
- Expansion of Investment
Flash Marketing Business: Shareee, Inc.
: Shareee**

Japan's First International Remittance Service Using the Internet as a Primary Channel

Usage scenario:



Deposit money into customer account



(Prior member registration at Web site)

Order a remittance via Web site

Automatically send remittance to specific payee using postal savings card

Service to around 200 countries and regions around the world, approx. 200,000 locations



Featured on NHK's Bizspo program!

(Example)
Remittance at convenience stores



(Approx. 8,100 stores nationwide)



Order a remittance via Web site

Operate in-store terminal

Pay the amount of remittance at register

Open 365 days, during normal bank business hours and until 21:00.

Industry's Lowest Fee Structure

(Example: When sending remittance to the Philippines using ATM)

Fees paid by remitter	SBI Remit <small>* Until June 30</small>	(Example) City Bank A <small>* SBI Holdings' survey</small>
Remittance fee (up to 30,000 yen)	880 yen	To head offices/branches, overseas subsidiaries of same bank: from 3,000 yen To other banks: from 3,500 yen
(Up to 250,000 yen)	1,480 yen	
Other fees	None	Yen-denominated remittance, foreign currency denominated remittance from foreign currency deposits: from 2,500 yen
Total fees for small remittance of 30,000 yen	880 yen	At least 5,500 yen
Fees paid by payee	None	Paying bank's fee: 3,000 yen (Depends on local bank)

Approx. six-fold difference

“Social Lending” is Attracting Worldwide Attention

What is social lending?

Schematic



Examples of social lending firms worldwide:
Zopa in Europe, Prosper and Lending Club in the U.S.

Reach 5 bil. USD (+66%) market size globally by the end of 2013
— Gartner Research (January 5, 2010)

Flash Marketing Business: Shareee, Inc.



Flash marketing website offering premium coupons for users

(Started the operation in Aug. 2010)

Ranks 4th among 80 daily deal offering website



Major characteristics

Premium coupons limited to one day, one region and one store



Maximize use of Twitter and other SNS



Payment settlement process for advance purchases



Ways of persuading consumers to purchase immediately



*Based on the investigation by sheep.jp LLC of actual sales in April / among the services in operation 79

iv) Expansion of Real Shops to Agument Internet Services

- SBI Money Plaza**

SBI SECURITIES 23 branches nationwide

SBI Money Plaza 224 shops nationwide

Provides Mortgage loan and fire insurance: 107 Shops
(incl. 19 shops also run securities agency businesses)
Just as securities agency: 117 shops

Kinki area: 37

SBI SECURITIES 3 branches

SBI Money Plaza 34 shops

Provides Mortgage loan and fire insurance: 16 Shops
(incl. 1 shops also run securities agency businesses)
Just as securities agency: 18 shops

Tokyo area: 77

SBI SECURITIES 9 branches

SBI Money Plaza 68 shops

Provides Mortgage loan and fire insurance: 37 Shops
(incl. 13 shops also run securities agency businesses)
Just as securities agency: 31 shops

Tokai area: 29

SBI SECURITIES 1 branch

SBI Money Plaza 28 shops

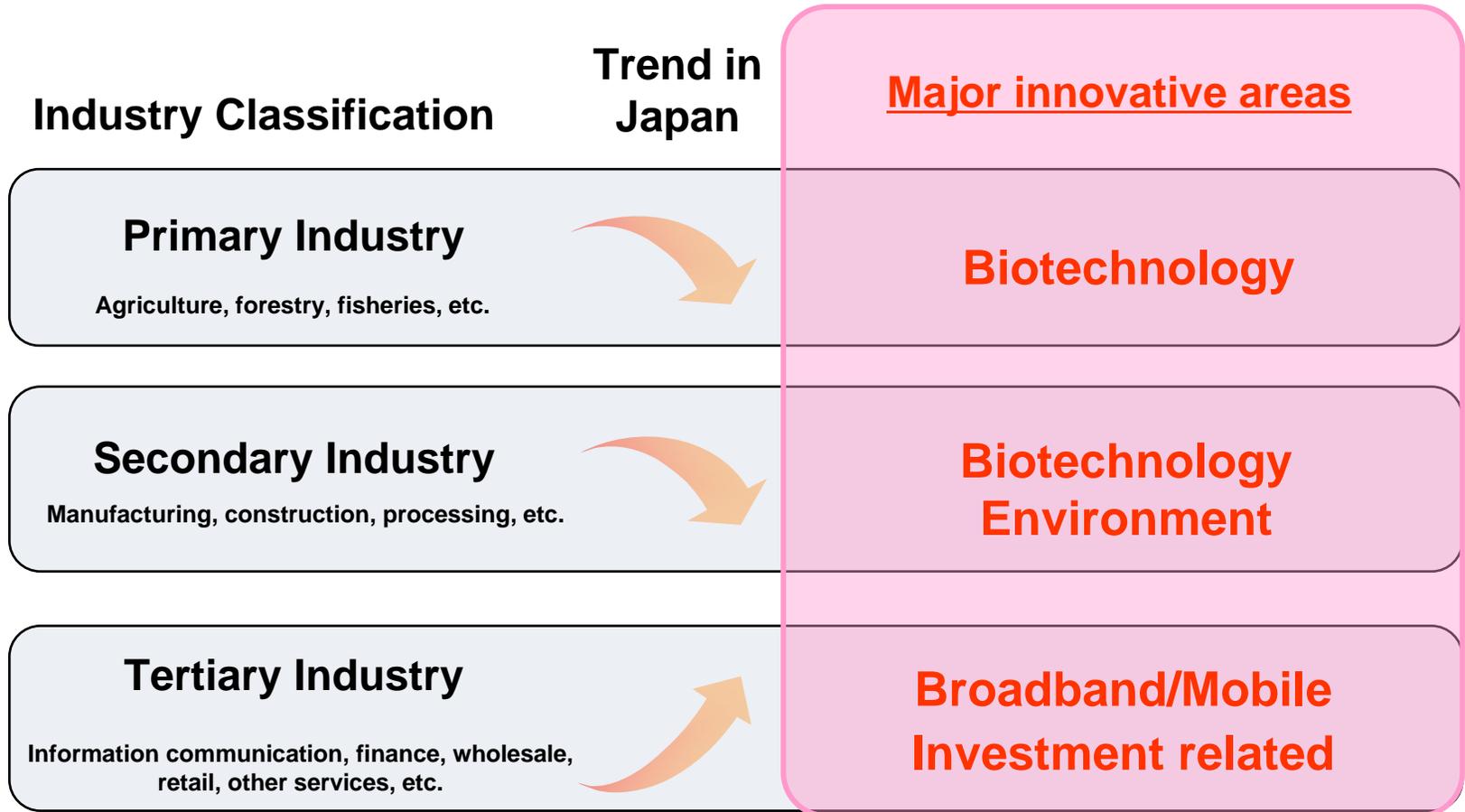
Provides Mortgage loan and fire insurance: 11 Shops
(incl. 2 shops also run securities agency businesses)
Just as securities agency: 17 shops

* as of May. 31, 2011

Strategy :

**<2> Focus on 21st Century Growth Industries
in a Post-industrial Society**

As an Advanced Country, Japan is Experiencing Wide Gaps in Growth Between Industries and Companies



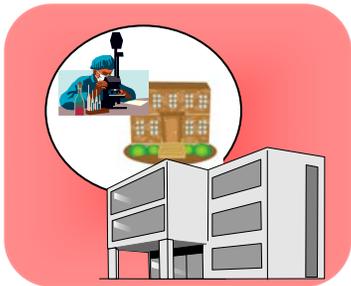
Initiatives as a “New Industry Creator”

-Concentrated Investments into Growth Industries of the 21st Century-

1. Internet

Contributed to the creation of the Internet industry, through focused investments into companies in the industry through the "SOFTBANK Internet Fund", with an initial capital commitment of 150.5 bil. yen, etc.

2. Biotechnology and Life Science



Investing a total of 25.7 bil. yen through VC funds, into the biotechnology and life science fields.

At the same time, the SBI Group itself, primarily through SBI Biotech and SBI ALApromo, will endeavor to establish a global drug creation presence

(*Commitment amount basis)

3. Environment-related Technology and Alternative Energy

➤ Operation of VC funds targeting environment-related companies



Environment and Energy I (since September 2007)

Operation of a joint venture with Mizuho Securities to manage a fund targeting the environment and energy sectors in Japan and the overseas markets

**The Biotechnology-related Businesses That are
Expected to Become a New Revenue Source**

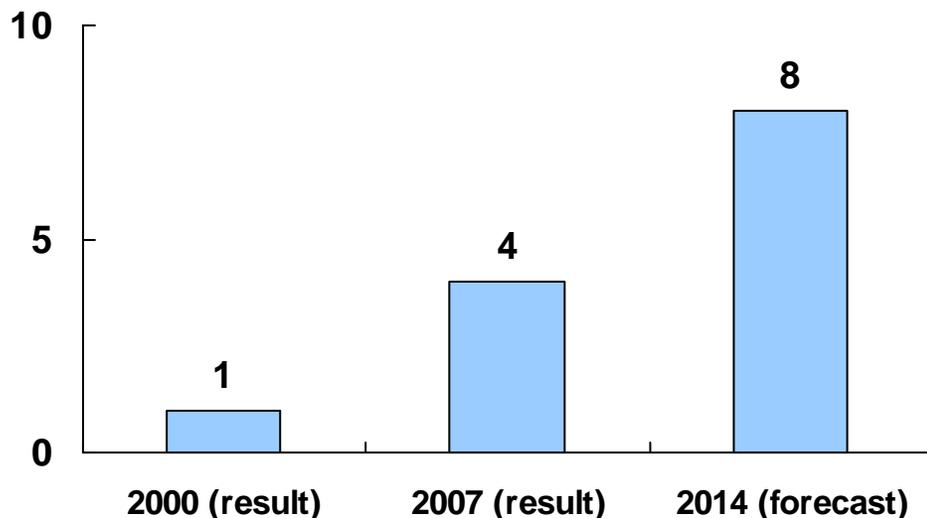
Outlook for the Biotechnology Field in Japan and Overseas

The pharmaceuticals market is shifting to biopharmaceuticals and related products

The biopharmaceutical market topped 75 bil. USD, representing more than 10% of the global pharmaceutical market (2007)

Number of biopharmaceuticals ranked among the top 10 major drugs in terms of global sales

(Number)



Source: Report of the Bio-innovation Study Group, Ministry of Economy, Trade and Industry (June 2010)

Creation of knowledge-intensive industries

The biotechnology sector as a new emerging force

In order to ensure Japan's sustained growth, it is important to revise its industrial structure, and shift the economic base from manufacturing to knowledge production involving patents and other intellectual property.

Newspaper article

Source: April 5, 2011 issue of the Nikkei business daily, evening edition.

SBI Biotech Fully Utilizes Its Global Network to Advance its Drug Discovery Projects

Drug discovery projects

Specialized drug discovery projects for cancer and immunity are progressing globally

Business partnerships with overseas Bio-venture firms and research institutes

- **Immune moderation medicine (nucleic acid)**: In conjunction with Changchun Huapu Biotechnology in China, clinical phase I test is in progress in the U.S. Also, in preparation of clinical test due to the requisition for the adhibition to acute leukemia in childhood by a North American research group. Started tie-up negotiations with foreign pharmaceutical companies.
- **Immuno-cell therapy**: Under testing clinical phase II in the U.S. in an alliance with Baylor Research Institute (U.S.) Currently in Japan, plans have been approved at Faculty of Medicine, Ethics Committee of Kyoto Univ. and pending last approval to start clinical research and in place to start clinical test by public clinic.

Internal projects

- **R&D of immune body for cancers and autoimmune diseases:**
 Anti-ILT-7 antibody : Alignment with MedImmune, the global biologics unit of AstraZeneca
 Anti-BST2 antibody: In tie-up negotiations with domestic and overseas promising pharmaceutical companies
- **Development of new anticancer drug**: the SBI Holdings Group filed an international patent application in April 2010 for a lead compound (new candidate drug compound) discovered in partnership with CrystalGenomics Inc. of South Korea. A Japanese patent application was also filed in March 2011 for a lead compound discovered in partnership with a biotechnology venture in Japan.

Health foods projects

- Since 2009, supplement “Nosutto Sarunashi” has been on sale



SBI ALA promo Targeting Early Profitability

Enhancement of selling system of beauty goods and health foods during this fiscal year

- B** : Beauty goods
- M** : Medicine
- H** : Health foods

B Jan. 2009 Launch of Hataraku-te

B Jan. 2009 Launch of Hanamitsu beauty cream

M Jun. 2009 JV with Medac in German

B Oct. 2009 Launch of AL SCIENCE series1 emollient cream (Skin-care)

B Jan. 2010 Launch of AL SCIENCE series2 lotion moisture (Skin-care)

H Feb. 2010 Launch of NatuALA-Bio (supplement)

B Apr. 2010 Launch of Lala Solomon series (Skin-care)

M Jun. 2010 Brain tumor diagnostics agent started clinical test phase III

H Nov. 2010 Launch of NatuALA Black Garlic (supplement)

B H

Enhancement of selling system (e.g.)
Alliance with sales agency or SBI Investment's Investee companies

H Mar. 2011 Launch of NatuALA-BCAA (supplement)

Apr. 2008 Establish-ment of JV



Measures to Enhance Distribution System (1)

-Launch Full-fledged Sales Promotions in Sequence-

SBI ALA promo's beauty goods and supplements

(Examples)

Beauty products:

ALAPlus

- essential lotion
- moisturizing cream

(on sale this summer)



Supplements:

NatuALA-Bio-



(Released in Feb. 2010)

NatuALA-Black Garlic



(in Nov. 2010)

NatuALA-BCAA



(in Mar. 2011)

For broader recognition

Expanding distribution channel

TV

Ex: TV shopping

Magazines



Events

etc.



Direct Sales

Internet / telephone

Agencies

Distribution agencies, as well as taking advantage of SBI Group's network of investments

Business Partners(Ex;)

• **HIKARI TSUSHIN Inc.**: Leveraging a subsidiary that sells drugs and medicines via household distributors, to 400,000 households nationwide

Measures to Enhance Distribution System(2)

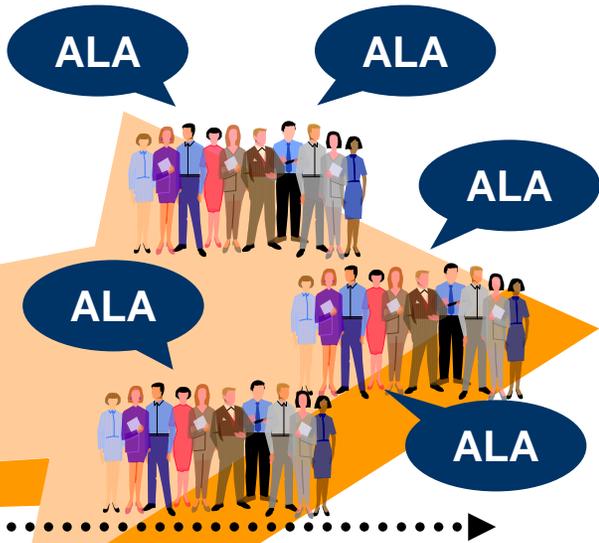
PR activities and advertising will be aggressively promoted to widely recognize “ALA” at a cost of approximately 300 million yen in the first year

Example of specific PR activities (plan):

Effectively promoting PR activities in time for various conference presentation

What is ALA?
What is SBI ALA promo?

- June~ Newspapers
- Magazines
- Fact book
- TV commercials
- Original TV program



2011 2012 2013

May : the announcement of the research results of fat metabolism

Various conference presentation will be scheduled in the future

ALA Attracts Attention (1)

• Tokyo FM featured ALA in programs aired on April 1 and 8, 2011

Theme: Health Disorders Emerging in Areas Affected by the Earthquake

Guest: Masashi Saito, New York State Physician

Yasuhiro Kido, Prof of Environmental Science, Kyoto Pref University

• Episodic Hypothermia

⇒ The body must be warmed from the inside out

⇒ Research shows ALA(5-Aminolevulinic Acid) metabolizes fat and may help to gradually raise body temperature

• Autonomic imbalance

⇒ Must maintain a balanced diet if refuged for longer than a week to prevent basal metabolism from deteriorating

⇒ ALA, found naturally in humans, can supplement diets

ALA ingestion enhances metabolism and may help raise body temperature by 1 C°

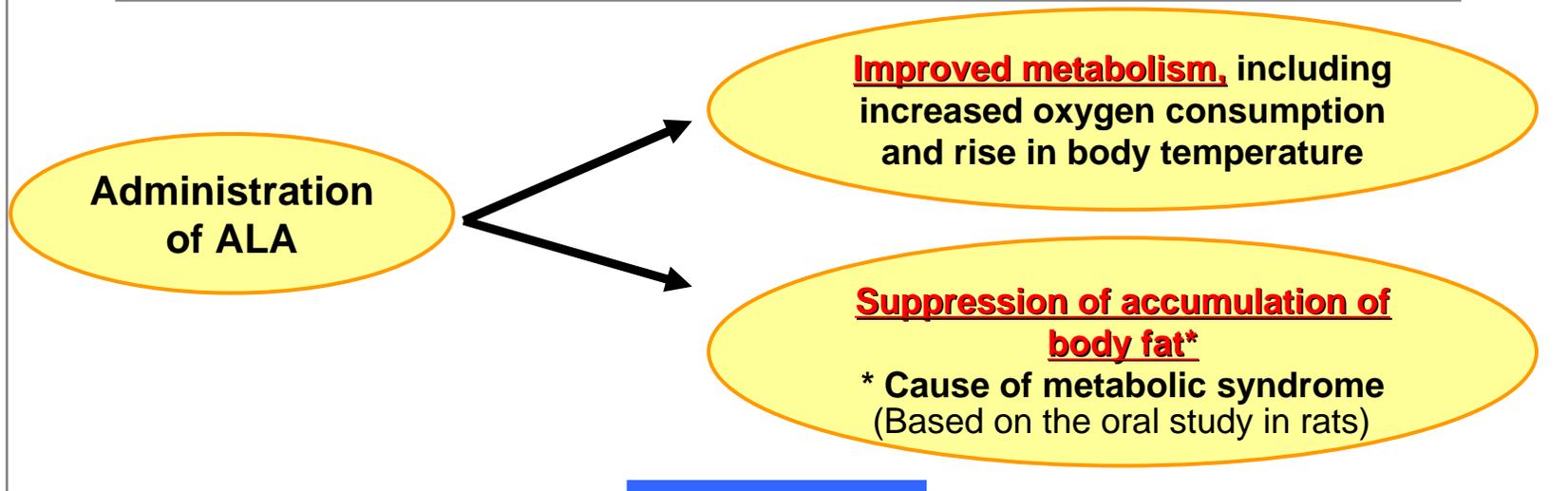
ALA Attracts Attention (2)

(May 13-15, 2011)

Research Achievements Announced at the 65th Annual Meeting of Japanese Society of Nutrition and Food Science

(Professor Yasuhiro Kido, Kyoto Prefectural University)

Joint research by SBI ALApromo Co., Ltd., Kyoto Prefectural University, COSMO OIL Co., Ltd. and Biomaterial in Tokyo Co., Ltd.



- Through the administration of ALA, the body temperature rises, leading to an expected improvement in the body's immune system.
- By suppressing the accumulation of body fat, it is hoped that ALA can make a broad contribution to health beyond merely assisting with diets.



ALA Attracts Attention (3)

Inauguration of “ALA Porphyrin Association”

“5-aminolaevulinic acid (ALA), which expects the wide range of applications such as cancer diagnosis and growth promotion of animals and plants, etc. Researchers of ALA and Porphyrin had independently established associations and worked separately, but it became very apparent that a collaborative association should be established, owing to the similarities of the two fields.

Newspaper article

(excerpt from Nikkan Kogyo Shimbun on May 17, 2011)

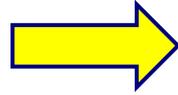
Chairman: Ichiro Okura , Chairman of former Porphyrin Association (Vice President of Tokyo Institute of Technology)
Members: 300 mainly consisting of medical and chemical researchers
Annual meeting was held on May 7, 2011
Held special lecture on ALA and general lecture

<Future activity plan>

- Annual symposium
- Biannual international conference
- Quarterly issuance of academic journal “ALA Porphyrin Science”

Medical Field R&D Progress

-Brain tumor diagnostic agent



Joint research into expanded indication for carcinoma

Oral diagnostic agent for the photodynamic diagnosis (PDD) of tumor tissue in the surgical removal of malignant glioma, EMEA approved through German JV partner Medac and sold in 10 European countries, including Germany and the U.K.

Jun. 2010	<u>Started phase-3 clinical testing</u> in JV with Nobel Pharma
Nov.	<u>Orphan drug designation</u> by Ministry of Health, Labor and Welfare
Mar. 2011	Research published in International Immunopharmacology

-Potential application in cancer screening

Joint research project with the Tokyo Institute of Technology

Image: Orally ingest ALA(a porphyrin building block)



Porphyrin accumulates in cancerous tissue only

Cancer tissue in urine tests can be detected as porphyrin glows in fluororadiography

R&D of Bio-related Investee Companies



Quark Pharmaceuticals (SBI's shareholding : 31.23%)

1) PF-655

Will receive up to total 700 mil. USD (incl. past receipt) from Pfizer when milestones is achieved,

Wet Age-related Macular Degeneration (AMD)
Diabetic Macular Edema (DME)

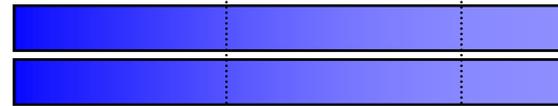


2) QPI-1002

Will receive up to 670 mil. USD more (incl. past receipt) in fees and milestones if Novartis decides to exercise its option,

Acute Kidney Injury (AKI)
Kidney Transplantation (DGF)

FDA and European Commission grants Orphan Drug Status for QPI-1002



3) QPI-1007

Non-arteritic Anterior Ischemic Optic Neuropathy
Glaucoma



Acucela (SBI's shareholding : 27.71%)

1) ACU-4429

Dry Advanced Macular Degeneration (AMD)
Received FDA Fast Track Designation for ACU-4429



2) Rebamipide

Dry Eye



3) OPA-6566

Glaucoma



Strategy:

**<3>Accelerate Overseas Business
Development Focused on the Asian Region**

- i) Overseas Business Development for the Transition into the “World's SBI”**
- ii) Structural Enhancements for Overseas Businesses, an Important Component for a Transition into a Global Company**

**i) Overseas Business Development for the
Transition into the “World's SBI”**

The Asian Century

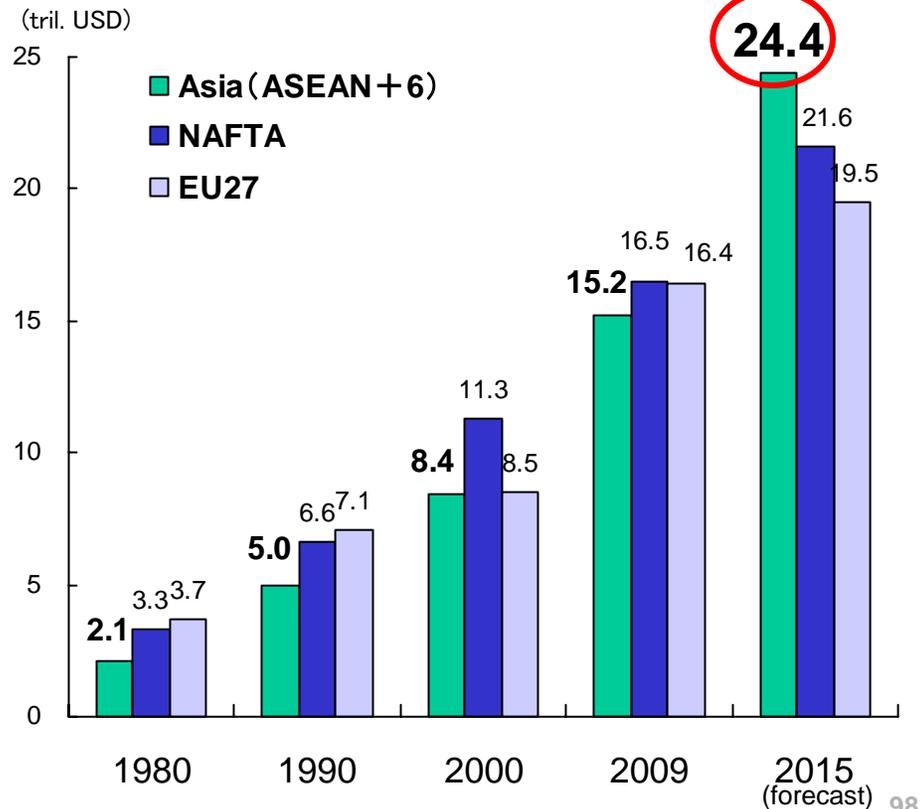
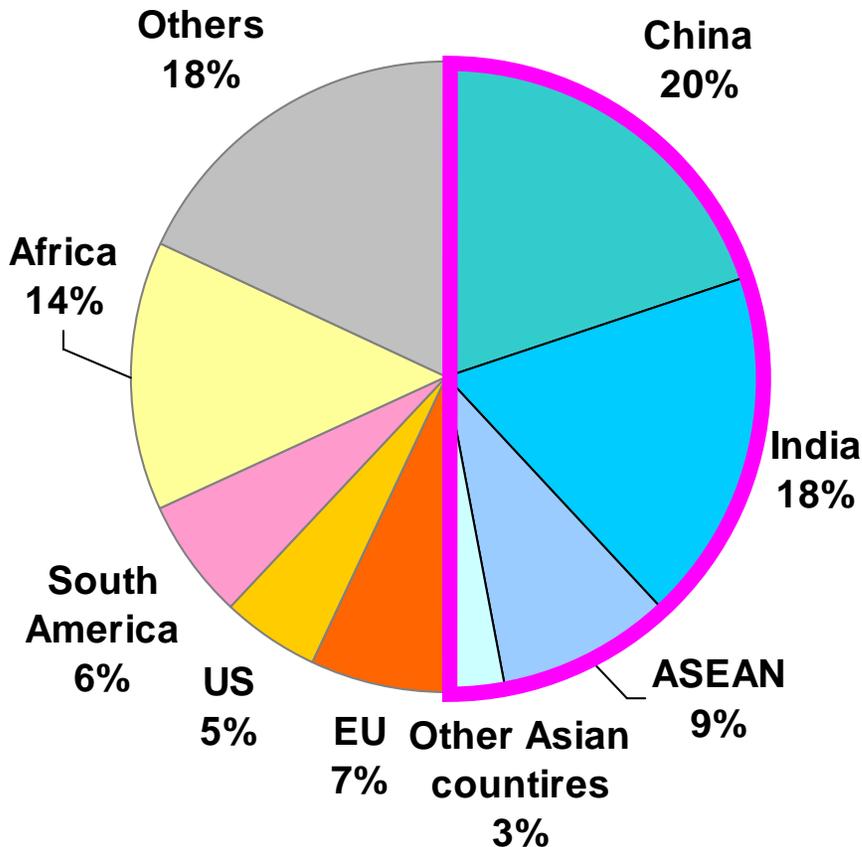
Since the global economic crisis, the Asian economies have outperformed the rest of the world in both scale and growth potential

Population by Country and Region (2008)

With populous countries such as China (1.3 billion) and India (1.2 billion), Asia accounts for around **half of the world's population**

Nominal GDP by Economic Region

Asia is forecasted to grow to a 24.4 tril. dlr economic region by 2015, surpassing NAFTA and the EU as **the world's largest economic region**



From “Japan's SBI” to the “World's SBI”

Deploying businesses through overseas subsidiaries, with a firm foundation in the emerging countries, particularly in Asia, to become a global company

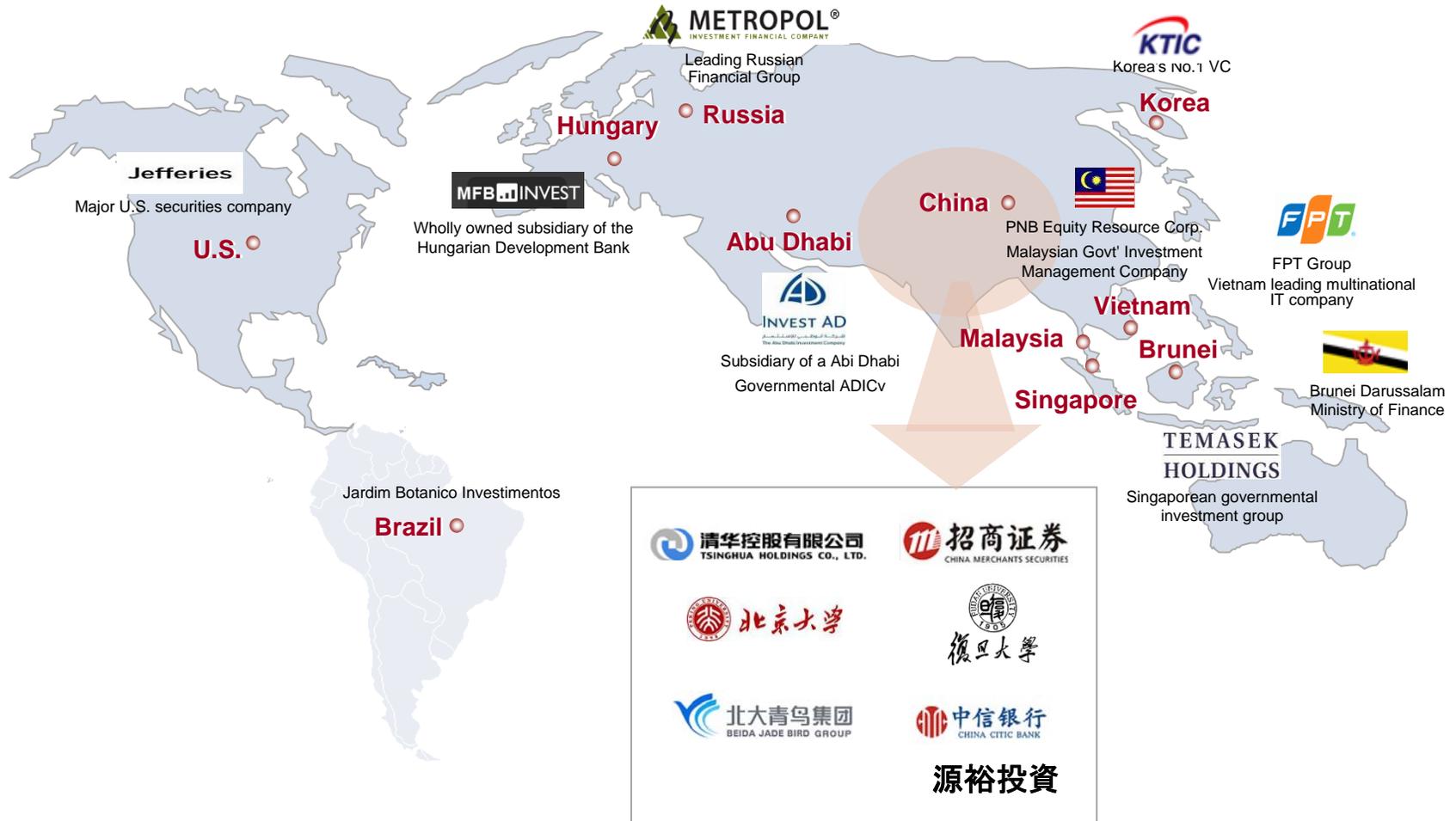


The SBI Group's Overseas Businesses

- 1. Asset Management** → Already established funds and started financial service businesses with local prominent partners
- 2. Financial Services** →
- 3. Bio-related Business** → Full scale operation will be started

Network of the Prominent Local Partners

Established global investment structure through formation of JV funds with local partners such as financial institutions, government agencies and universities



New Funds with Prominent Overseas Partners: Turkey

Invest AD (Abu Dhabi governmental)



(Announced in May 24, 2011)

In May 2011, signed the definitive agreements to jointly establish a new PE fund to invest companies based in Turkey

<Outline of the JV Fund>

Target: Private companies in Turkey

Commitment amount: 100 mil. USD

SBI's shareholding ratio: 50%



In Jan. 2011, jointly established and started the operations of an investment fund which focuses on promising companies in middle and north Africa, such as Nigeria, Ghana, Kenya, Egypt, Tunisia and Morocco

<Outline of Invest AD>

A leading Abu Dhabi government-owned financial services company, focused on tapping the growth markets of the Middle East and Africa.

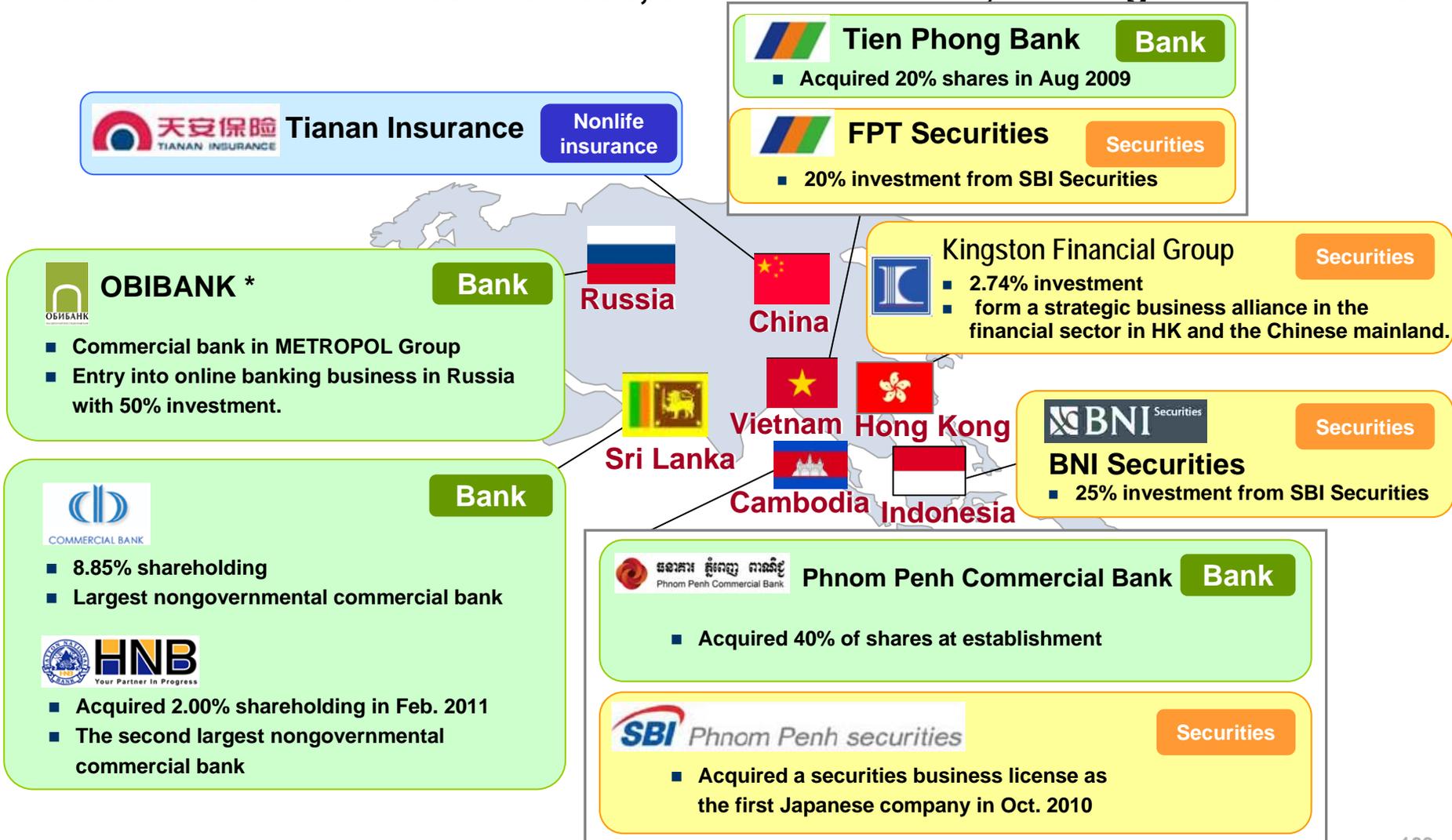
Primary Overseas VC Funds with Various JV Partners

Fund name	Establishment	Partners	Commitment amount	Investment ratio
New Horizon Fund 	May 2005	TEMASEK	100mil.USD	50%
SBI & TH VC Fund 	Jan 2008	Tsinghua Holdings	34.5mil.USD	87.1%
SBI & BDJB China Fund 	Feb. 2009	Beida Jade Bird	100mil.USD	50.1%
Fudan University Fund 	Late 2011 (plan)	Fudan University (Shanghai)	Offshore: more than 50mil.USD (SBI) Onshore: more than 30mil.USD (Fudan Univ.)	
SBI Zhaoxin Fund 	Mar. 2009	China Merchants Securities, Resource Capital China, China CITIC Bank	Offshore: approx. 20.5mil.USD (SBIH) Onshore: approx. 9mil.USD (onshore)	
SBI & Capital 22 JV Fund 	Oct. 2008	Founder of a Taiwanese IT company	22.5mil.USD	66.7%
Vietnam Japan Fund 	Apr. 2008	FPT	81.6mil.USD	96.3%
SBI SOI Fund 	Jun. 2008	Keio University	500mil. Yen	100%
SBI European Fund 	May 2009	MFB Invest Ltd., a wholly owned subsidiary of the Hungarian Development Bank	100mil.EUR	60%
Malaysia Fund 	Dec. 2009	PNB Equity Resource Corporation	50mil.USD	50%
SBI-METROPOL Investment Fund 	May. 2010	IFC METROPOL	100mil.USD	50%
SBI-Islamic Fund 	Jul. 2010	Brunei Darussalam, Ministry of Finance	60mil.USD	50%
SBI-Jefferies Asia Fund 	Jul. 2010	Jefferies & Group, Inc	50mil.USD	80%
Jefferies-SBI USA Fund 	Jun. 2010	Jefferies & Group, Inc	150mil.USD	50%
Africa Fund 	Jan. 2011	Invest AD (Abu Dhabi)	75mil. USD	50%
Turkey Fund 	2011 (plan)	Invest AD (Abu Dhabi)	100mil. USD	50%
Brazil Fund 	Late 2011 (plan)	Jardim Botânico Investimentos	125mil. USD	50%

Capital Investments in Overseas

Financial Institutions Focused on the Asian Region

Provide a foundation for implementation and development of SBI's internet-based financial services business, such as securities, banking and insurance.

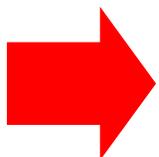


ii) Structural Enhancements for Overseas Businesses, an Important Component for a Transition to a Global Company

- <1> Second Head Office to be Established in Hong Kong to Integrate Overseas Operations**
- <2> Establishment of the SBI Group's China Business Management Company in Dalian**
- <3> The SBI Group's European Business Management Company to be Established in London**

<1> Second Head Office to be Established in Hong Kong to Integrate Overseas Operations

Certain Head Office functions will be moved to Hong Kong over the next 6 months



Integrate all overseas operations principally under Hong Kong

- Consider recruiting Hong Kong executive directors from partners of JV funds and others
- Consider increasing directors in charge of overseas business at Tokyo Head Office as well
- Build a structure to actively secure human resources locally for overseas businesses
- Channel overseas investment and fund procurement, principally through Hong Kong
- Expand new base in Taiwan, currently covered from Hong Kong

Tokyo Head Office will continue to manage domestic operations

Maximize Use of Increasingly Globally Significant HK Capital Markets **SBI**

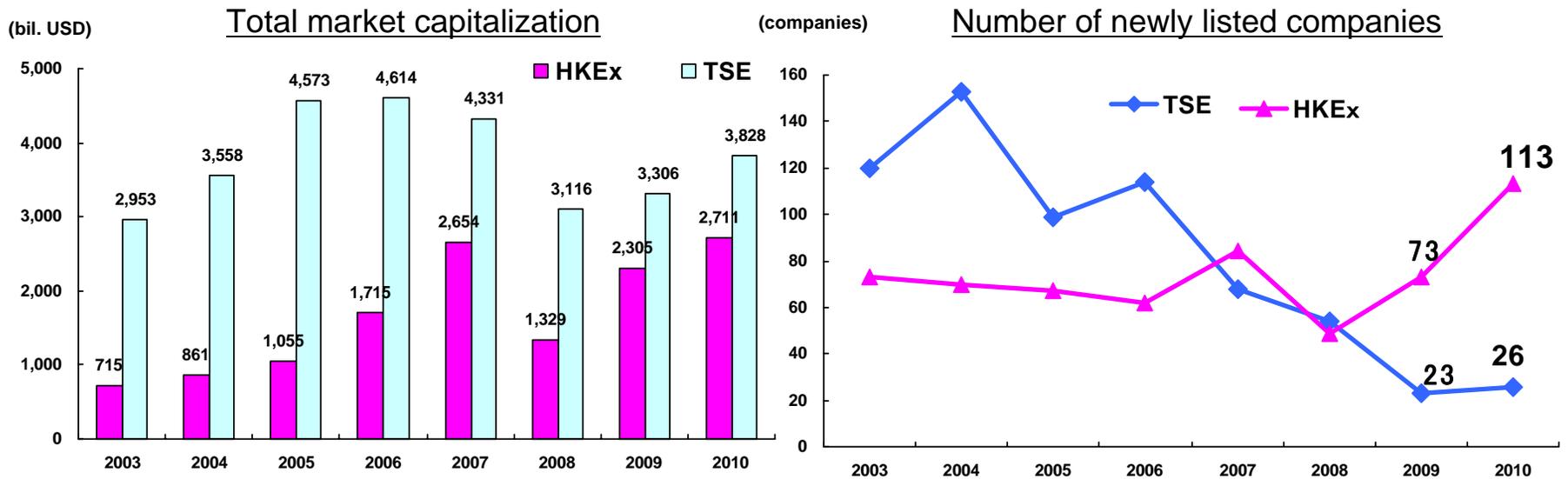


-Funds for overseas investments and business projects will be sourced, in principle, from the Hong Kong capital markets-

Reduce foreign currency risk exposure and diversify fund procurement methods by sourcing funds for overseas use from Hong Kong Exchanges and Clearing (HKEx), and by issuing yuan-denominated bonds, among other means.

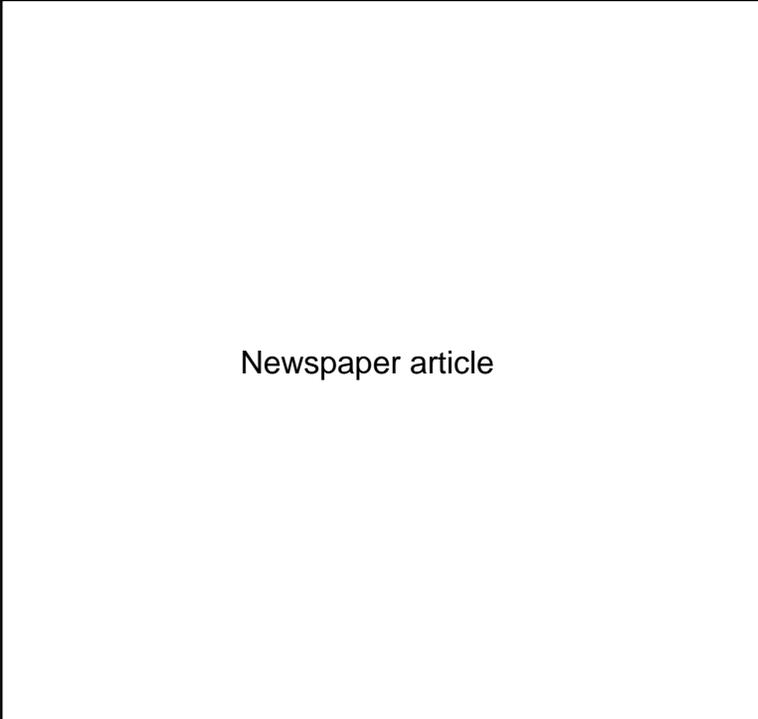
Features of the Hong Kong Market

- **Increasing importance as an international financial center** with backdrop of China's economic power
- A capital market with **access to yuan-denominated bonds and stocks for global institutional investors** (approx. half are foreign investors)
- **No. 1 in the world, for total annual IPO procurement amount in 2009 and 2010**



Steady Stream of Fund Procurement From Hong Kong

Former Soviet-bloc companies from Russia, Kazakhstan and elsewhere are among the many companies that are increasingly conducting IPOs and issuing yuan-denominated bonds in the Hong Kong market.



Newspaper article

(Apr. 18, 2011 “The Nikkei” newspaper evening edition)

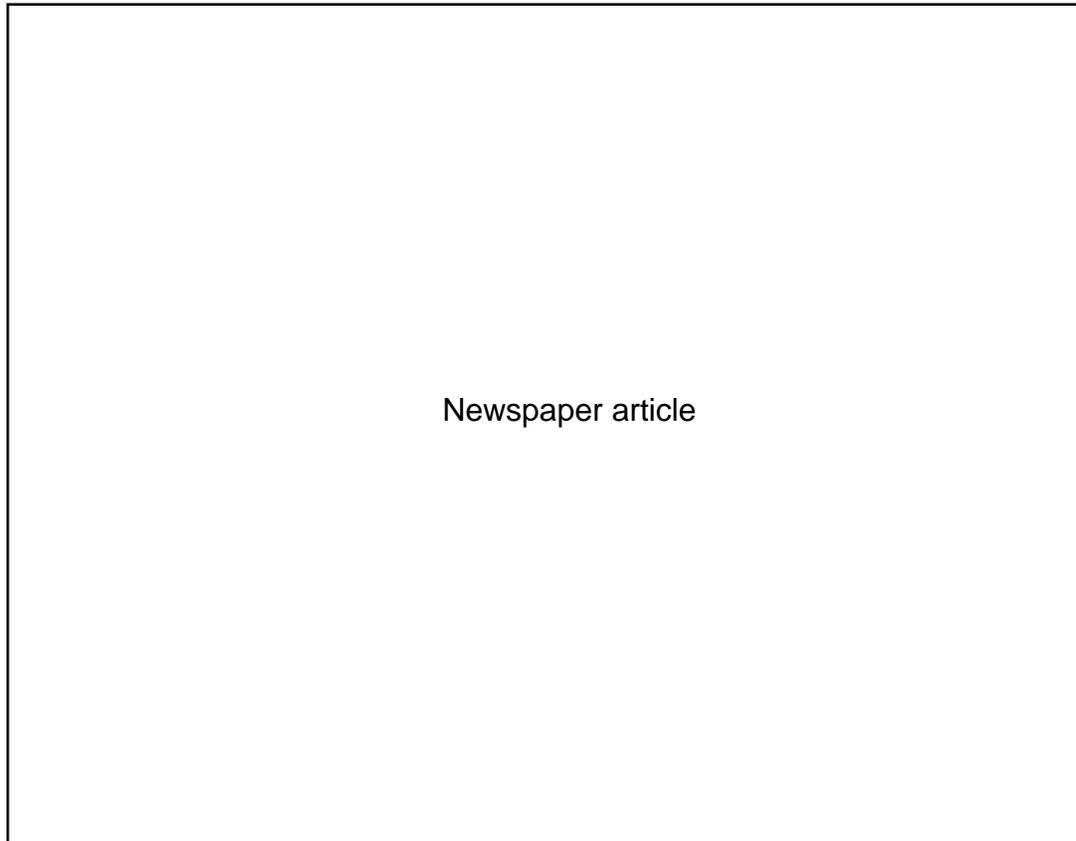


Newspaper article

(Apr. 19, 2011 “The Nikkei” newspaper morning edition)

The Ongoing Internationalization of the Yuan

Offshore yuan trading became possible for the first time outside of China in Singapore.



Newspaper article

(Apr. 20, 2011 "The Nikkei" newspaper evening edition)

First Japan-based Company Listing on the Hong Kong Stock Exchange

-First case of HDR listings with new share issuance as well-



Outline of SBI Holdings' HKSE listing and HDR issuance backed by SBI Holdings' common shares

Listing market

Main Board of the Hong Kong Stock Exchange (code: 06488)

Listing Date

April 14, 2011

Advantages of the HKEx listing for SBI Holdings

- **Cost reduction** for future financing through **diversified procurement** and **mitigation of inter-market risk**
- **Increased exposure** and brand recognition in China and other Asian emerging market countries
- **Enhanced access to China-based companies** that may lead to **business opportunities for the SBI Group**

<2> The SBI Group's China Business Management Company to be Established in Dalian



Beijing

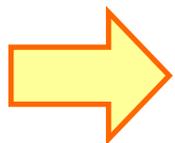
Shanghai

New deployment
in other cities



Advantages of Establishing New Management Company in Dalian High-tech Industrial Zone

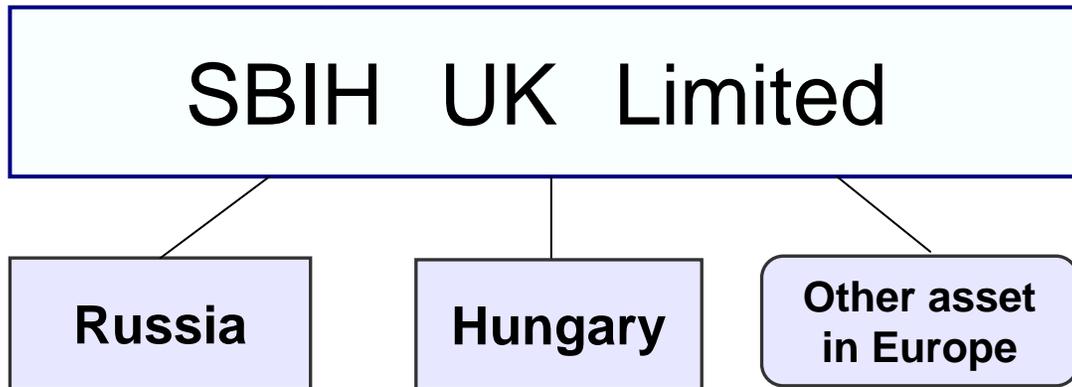
- Enables SBI to conduct sales activities and swiftly respond to investment opportunities in ways that were previously impossible through a representative office.
- Financial subsidies for offices, taxes and so forth, as well as referrals to alliance partners, etc.



Pursue further expansion and enhanced efficiency of asset management and financial service businesses in China

<3> The SBI Group's Europe Business Management Company Established in London

Established on April 27, 2011



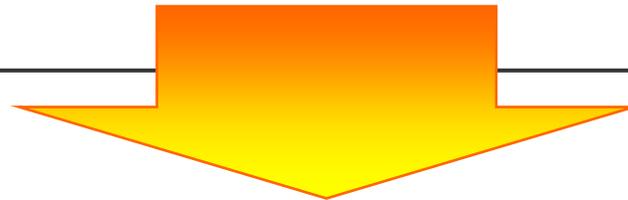
- Consolidate and manage European assets
- Operate and manage European regional funds, including Russia fund, Hungary fund, and others
- Invest in financial institutions, and develop Internet-based financial services in the European region
- Information gathering function in Europe

III: Reducing Risk Exposure

The First Priority is to Maintain Corporations as Going Concerns

The guiding principle of business economics, in other words, is not the maximization of profits; it is the avoidance of loss. Business enterprise must produce the premium to cover the risks inevitably involved in its operation. And there is only one source for this risk premium: profits.

Peter F. Drucker



In light of prevailing changes, management must maintain corporations as going concerns from a long-term perspective.

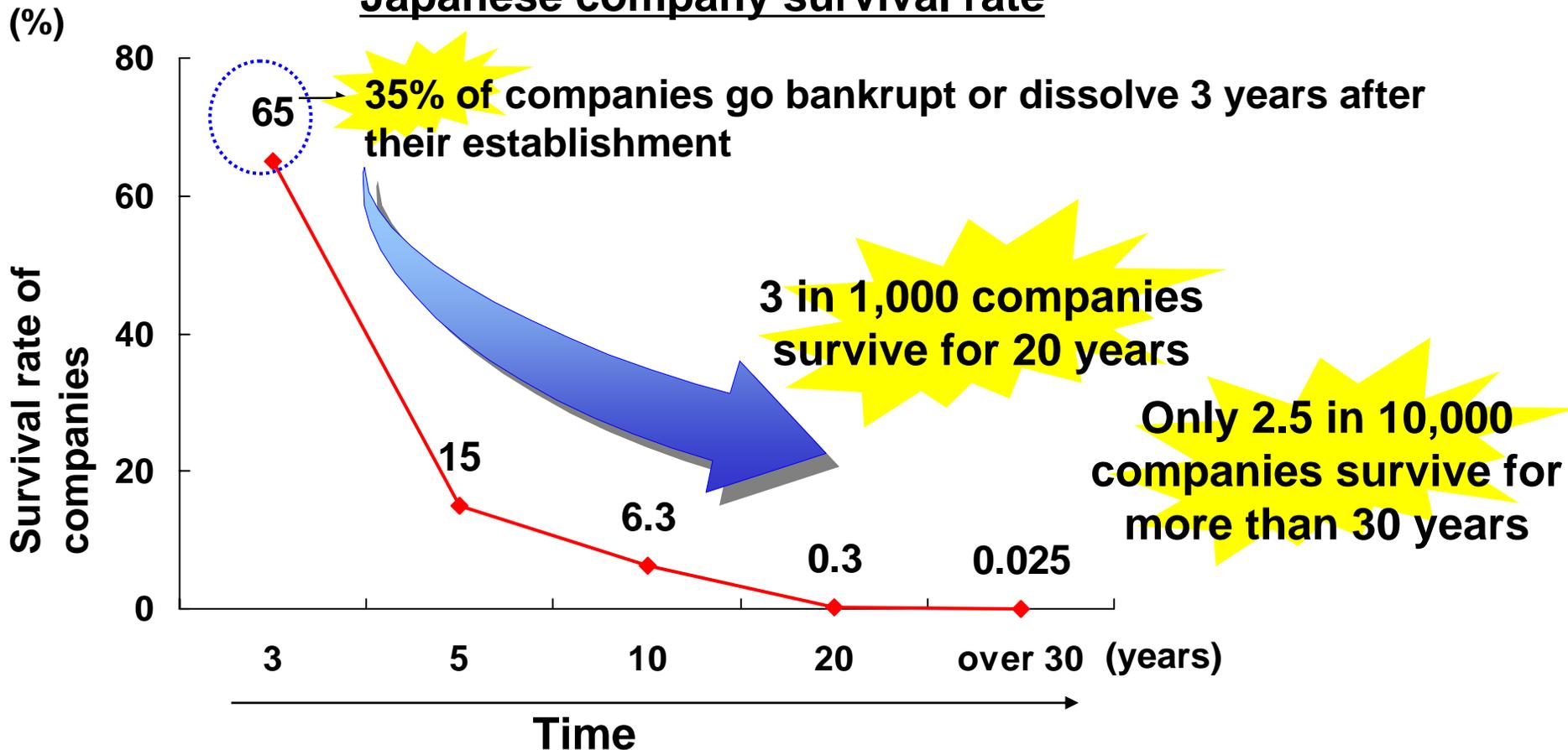
Actual State of Going Concerns (1)

There are approximately 2.6 million joint-stock companies in Japan, of which 30% are profitable and the rest are not

* A survey by National Tax Agency in FY2008

Only 6 in 100 companies survive for ten years after their inception

Japanese company survival rate



Actual State of Going Concerns (2)

A very unusual situation arose in which the government injected public funds into private-sector companies

On January 19, 2010, Japan Airlines (JAL) filed for bankruptcy under the Corporate Reorganization Act and is undergoing corporate reorganization proceedings under the Enterprise Turnaround Initiative Corporation.

Examples of companies injected with public funds

Newspaper article

JAL restructuring with an aid from ETIC

Public funds under reviewed

Government intervention fore headed – Majour cut in pension

Time	Company	Price
Mar. 1998	21 Banks	1.8 tri. yen
Mar. 1999	32 Banks	8.6 tri. yen
Jun. 2003	Resona Bank, Ltd.	2 tri. yen
Jun. 2003	The Kanto Tsukuba Bank, Ltd.	6 bil. yen
Nov. 2006	Kiyo Holdings, Inc.	31.5 bil. yen
Dec. 2009	The Towa Bank, Ltd.	35 bil. yen
	The Bank of Kochi, Ltd.	15 bil. yen
Jan. 2010	Japan Airlines Co., Ltd.*	300 bil. yen

(Quotation from Oct. 25th 2009 Nihon Keizai morning paper)

*Aided from The Enterprise Turnaround Initiative Corporation of Japan (ETIC)

Reducing Risk Exposure

Sept. 2008: Lehman Shock

Jan. 2010: Sovereign debt shock in Europe, starting from Greece

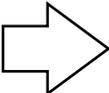
Jan. 2011: Movement for democratization in MENA area starting from Tunisia

Given that various unforeseen problems may occur at any time, how can the risk exposure be reduced?

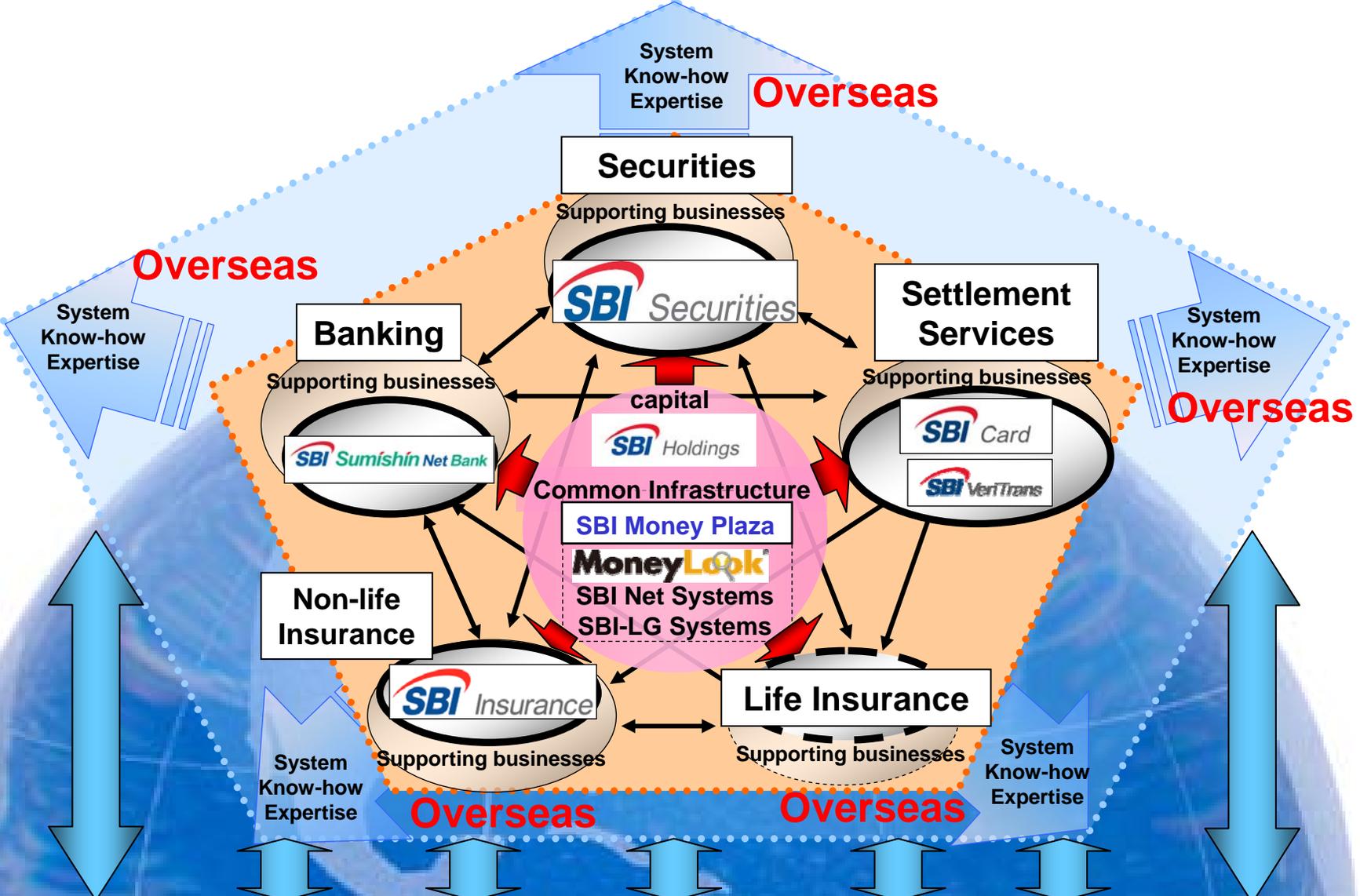


- (1) Diversify risk exposure by establishing a group of companies with a diverse business portfolio**
- (2) Diversify risks regionally by developing businesses not only in Japan, but also in foreign countries**
- (3) Diversify earnings sources and investment methods within the same business, in order to augment earnings within each business.**

(1) Diversify risk exposure by establishing a group of companies with a diverse business portfolio

- **Establish businesses that have very little correlation with stock markets**
 - SBI Sumishin Net Bank, Ltd. (started operations in September 2007) and SBI Insurance Co., Ltd. (started operations in January 2008) have continued to grow rapidly. Preparations are under way to re-enter the life insurance business
 - Establish biotechnology-related businesses, which are expected to become new earnings drivers
 - **Drive rapid growth among individual businesses by capturing synergies through the formation of corporate ecosystems and the promotion of pentagon management**
 - Form a corporate ecosystem comprising diverse businesses
 - Promote pentagon management
-  Drive growth among individual businesses by building a business system that consistently generates group synergies

Concept Image of Pentagon Management in the Financial Services Business Promoted through a Thorough Pursuit of Synergies



Investment Business

(2) Diversify regional risks by developing businesses not only in Japan, but also in foreign countries

Expand business regions to emerging countries primarily in Asia, rather than remaining only in Japan

- Establish joint venture funds in partnership with prominent overseas partners
- Accelerate overseas business development of the securities, banking, and insurance businesses leveraging established overseas partnerships



Regional diversification of risk

- Diversification of country risk
- Diversification of foreign exchange risk
(Diversification of currencies for business operation by developing businesses in several countries/regions)

(3) Diversify Earnings Sources and Investment Methods Within the Same Business, in Order to Augment Earnings Within Each Business

[SBI SECURITIES]

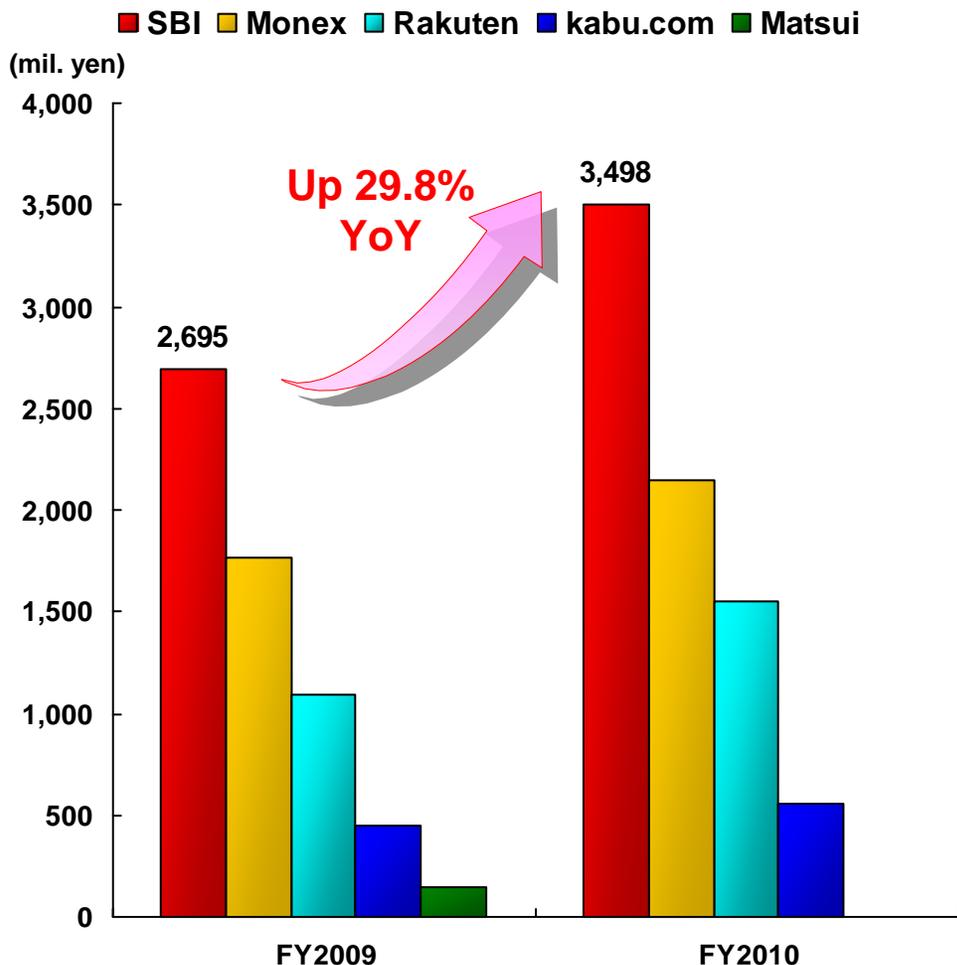
- Expand sales of investment trusts, utilizing Morningstar Japan K.K. and SBI Fund Bank Co., Ltd.
- Enhance and expand handling of foreign equities and foreign currency-denominated bonds in collaboration with overseas partners
- Expand forex trading through SBI Liquidity Market Co., Ltd.

[SBI Sumishin Net Bank]

- Increase personal loans by lowering the minimum interest rate and raising the loan limit
- Expand auto loans through SBI Credit Co., Ltd. and SBI Auto Support Co., Ltd.
- The balance of fixed-rate loans in the housing loan balance has decreased due to increased sales of variable housing loans.

Toward Profit Diversification <1> <Investment Trust>

Revenues from investment trust business* at 5 online brokers



* Sum of sales commissions and trust fees (trust fees include MRF)
* Rakuten's figure in FY2010 are not disclosed.

Number of investment trusts* brokered by each online broker

SBI	<u>1,094</u>
Rakuten	1,060
Monex	462
kabu.com	457
Matsui	1

**SBI SECURITIES is No.1
among major online brokers**

*As of May.13, 2011. Including foreign currency-denominated MMF, MMF, MRF, and initially offered investment trusts

Toward Profit Diversification <2>

<Foreign Stocks>

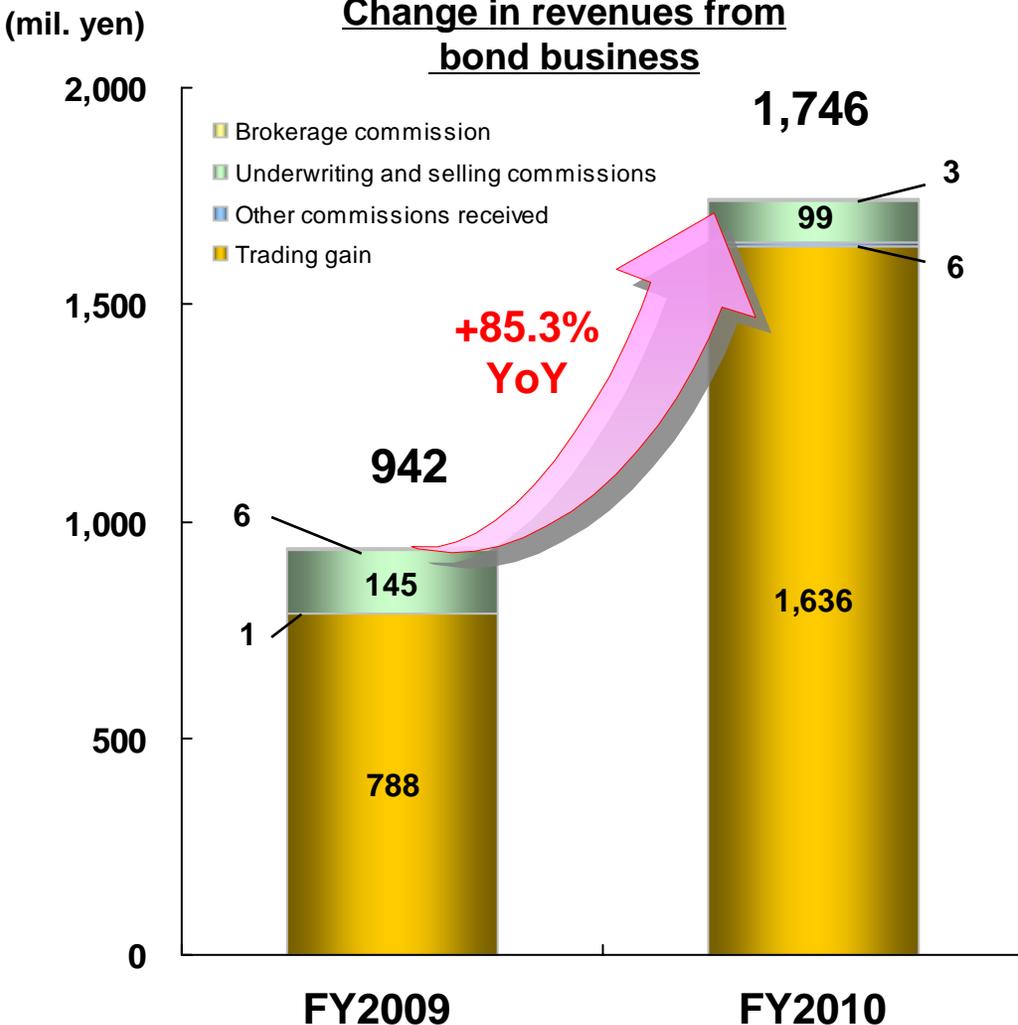
Bolster Brokerage of Emerging Market Equities and Offer Investment Opportunities in Emerging Market Countries with High Economic Growth Potential

Equities Brokered

	U.S. stocks: (Aug. 2003-)	<u>638 stocks</u>	NYSE, NYSE Arca, NASDAQ-listed U.S. stocks, U.S. ETF, ADR (American Depository Receipts)
	Chinese stocks: (Mar. 2005-)	<u>1,372 stocks</u>	Hong Kong Stock Exchange Main Board and GEM-listed Chinese stocks, China ETF, HDR (HK Depository Receipts)
	Korean stocks: (May 2005-)	<u>54 stocks</u>	Stocks listed on the Korea Stock Exchange and over-the-counter market
	Russian stocks: (Nov. 2009-)	<u>41 stocks</u>	MICEX stocks
	Vietnamese stocks: (Jan. 2011-)	<u>637 stocks</u>	In principle, all stocks listed on HoChiMinh Stock Exchange and Hanoi Stock Exchange

Toward Profit Diversification <3> <Foreign Bond>

Change in revenues from bond business



Foreign bond issues brokered by each online brokers
(FY2010: counted on issuance day basis)

SBI	<u>44</u>
Rakuten	19
Monex	29

Not offered at kabu.com Securities and Matsui Securities

SBI SECURITIES brokered the most among the major online securities firms

* 上記は委託販売分を含む

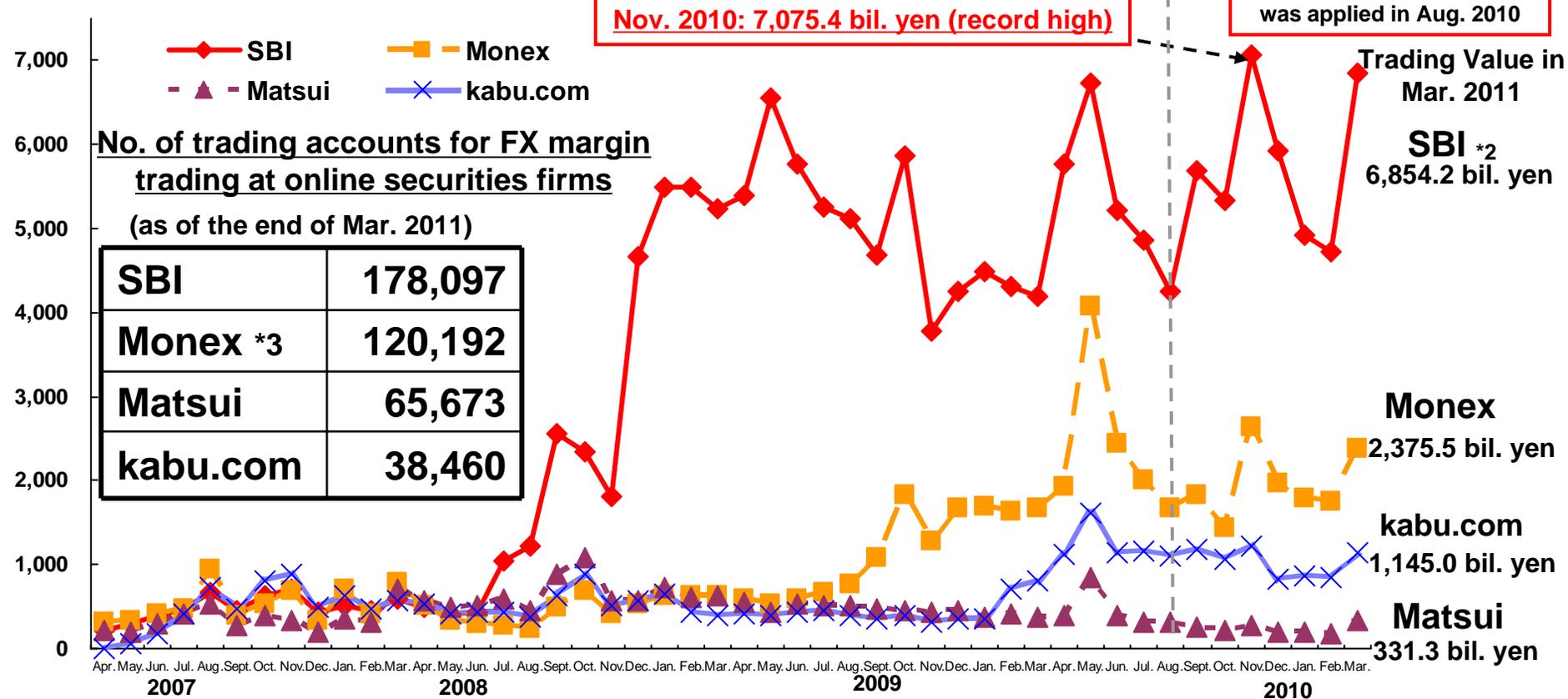
Toward Profit Diversification <4> <FX Margin trading>



Liquidity is secured by counterparties composed of **21** foreign and domestic financial institutions, so that FX margin trading value remained high after the enactment of leverage regulations

FX margin trading value of the four major online securities companies *1

(Unit: bil. yen)



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

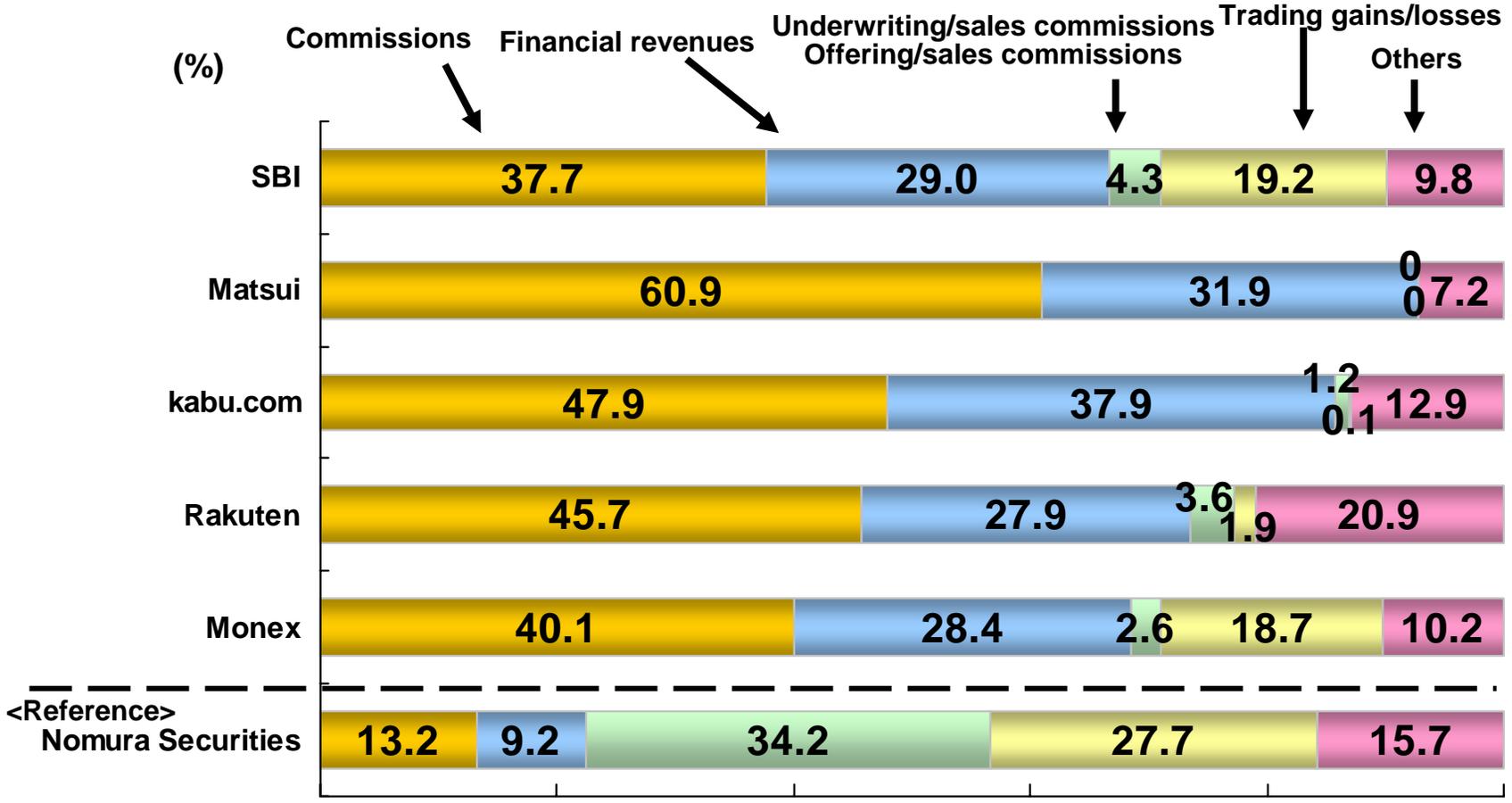
*2 Trading value total of "SBI FX" and "SBI FX α" from Nov. 2008 to Feb. 2009

*3 Accounts at the end of Mar. 2011 includes overlapping accounts

Diversify Earnings Toward a Business Structure Less Reliant on Stock Brokerage Trading

Pursue enhancement of corporate business to increase underwriting fees and other revenue, not only from newly listed stocks, but from publicly offered stocks and bonds as well.

Major Online Securities Companies' Composition of Consolidated Operating Revenues in FY2010



Source: Company websites and earnings releases (Nomura Securities figures based on Japanese standards)

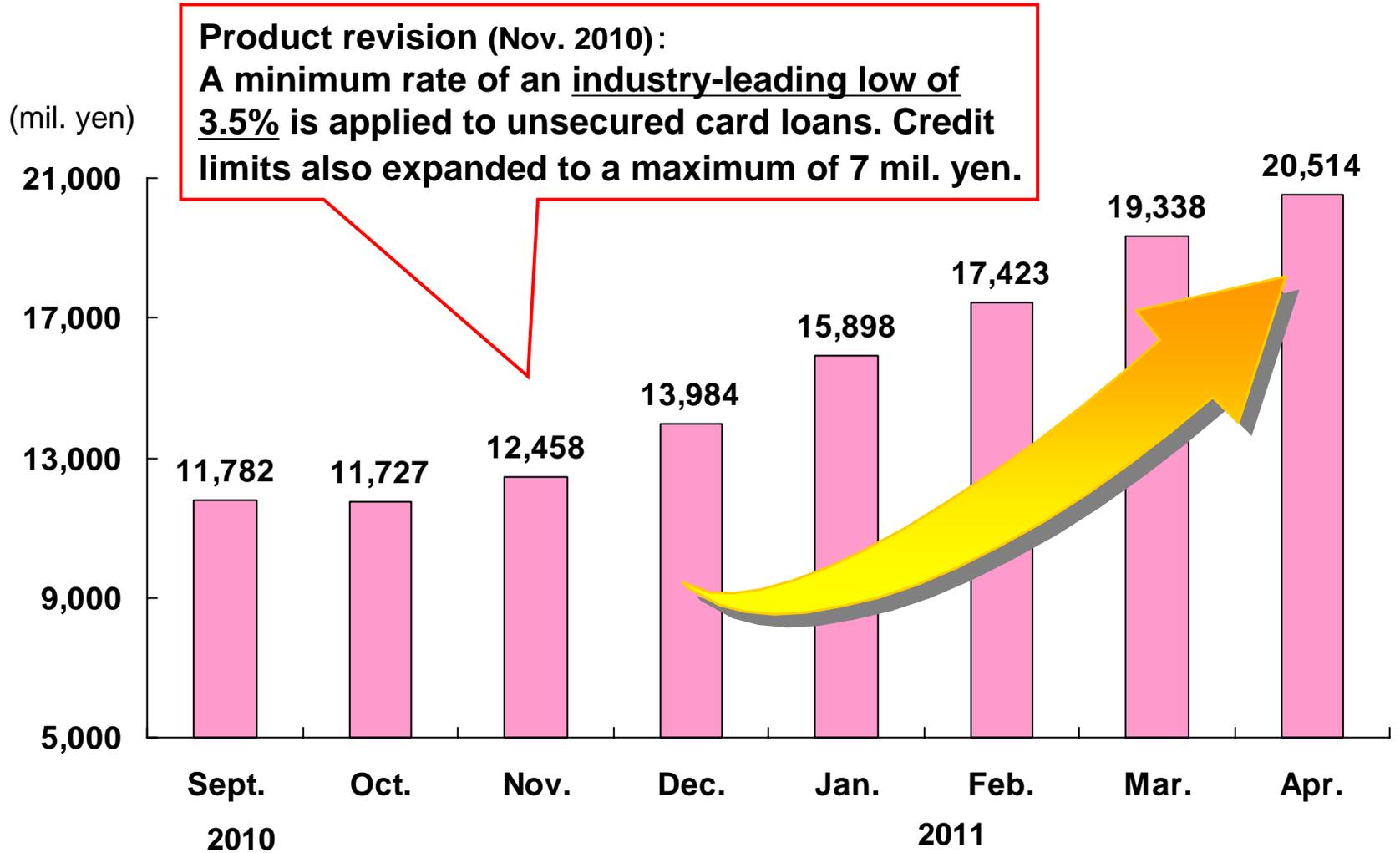
*Figures are as of FY 2010 full year

Diversification of Loans <1> Personal Loans

“Internet Loan” Balance

(Aug. 2009 - Apr. 2011)

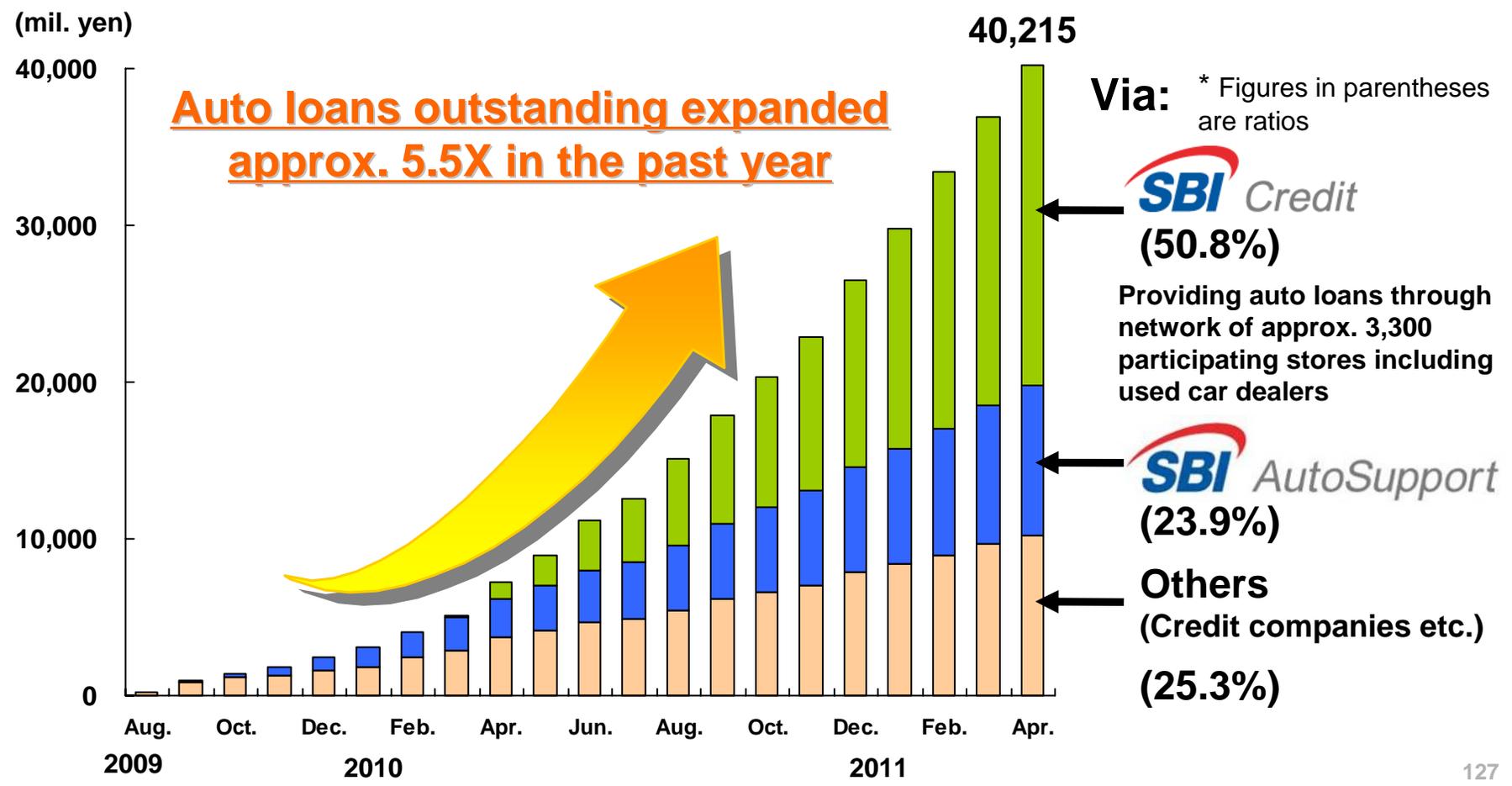
Product revision (Nov. 2010):
A minimum rate of an industry-leading low of 3.5% is applied to unsecured card loans. Credit limits also expanded to a maximum of 7 mil. yen.



Diversification of Loans <2> Auto Loans

Cumulative auto loans outstanding

(Aug. 2009 - Apr. 2011)



IV: Advancement of “Brilliant Cut” Initiative to Increase Profitability

IV: Advancing “Brilliant Cut” Initiative to Increase Profitability

A Decade Since Our Founding

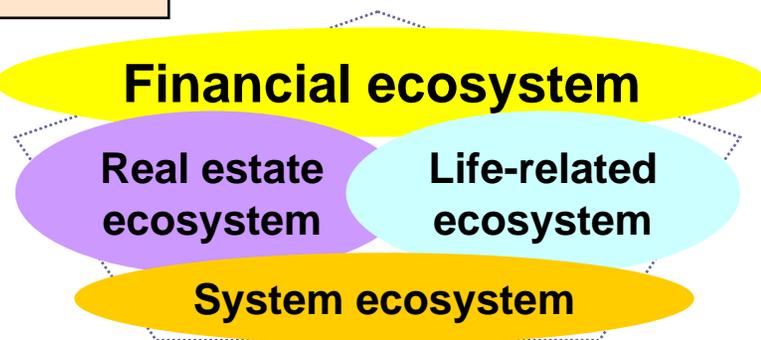
First stage: Expanded the Group Scale

Placed top priority on scale expansion and establishment of business ecosystem



From FY2010

Second stage: Pursuing increase in Earnings Per Share (EPS)



- Strengthening group synergy and heightening profitability through advancement of “Pentagon Management” business strategy for the financial services business
- Realize transition “from Japan's SBI to the world's SBI” through the transference of our financial ecosystem

Toward a management focus on higher profitability to sustain continued EPS growth

The SBI Group's Major Business Entities Engaged in "Brilliant Cut"



The SBI Group's 51 Major Business Entities (Excl. 7 overseas local subsidiaries and representative offices)

	FY2009	FY2010
SBI Holdings	Operating Income: 0.2 billion yen	Operating Income: 4.3 billion yen
Profitable companies and divisions	28 companies and divisions Total operating profit: 26.0 bil. yen	30 companies and divisions Total operating profit: 26.8 bil. yen
Unprofitable companies and divisions	12 companies and divisions Total operating loss: 4.7 bil. yen	11 companies and divisions Total operating loss: 7.1 bil. yen
Newly established or acquired companies: (New group companies which started operation or were acquired after April 2009)	10 companies Group companies (7): Wall Street Journal Japan (established in May 2009), SBI Credit (became a consolidated subsidiary in July), SBI Global Investment (became a consolidated subsidiary in June), Korea Technology Investment Corporation (became a group company in July), etc. Companies preparing for start of operations(3): JV with China Securities Journal, Preparation for life Insurance company, and SBI Phnom Penh Securities	9 companies SBI Global Investment achieved full-year profitability

(Note) Consistently profitable companies in "Newly established or acquired companies" have been moved to "Profitable companies and divisions"

3-year Basic Strategy for “Brilliant Cut” of the SBI Group

Announced at 1Q FY2010 Results Announcement on July 29, 2010

➤ Profitable companies and divisions:

Toward **further profitability** through mutual synergies (especially by advancing the “pentagon business management”)

➤ Unprofitable companies and divisions:

Targeting **profitability within 3 years** (3 years from establishment for new companies) by utilizing resources in the Group and pursuing Group synergies.

*Companies which do not show signs of profitability are to be liquidated or sold

- | | |
|------------------------|---|
| • <u>Establishment</u> | New companies will not be established except for those currently under preparation |
| • <u>Acquisition</u> | Target acquisition company will be limited to a company that is both profitable, and can be expected to bring strong synergies to the SBI Group companies |

The SBI Group's "Brilliant Cut" Initiative Moves to 2nd Phase

First Phase

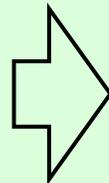
Monitor each company's performance situation, as well as their change in operating profits



Second Phase

Examine each companies' earning capacity by taking into account B/S, C/F situation as well as change in operating profits

- ROE
- ROI



Examine earnings efficiency against invested capital

- EBITDA
- EBITDA Growth rate



Examine cashflow generated by invested capital

Promote the “Brilliant Cut” Initiative, Measures to Further Enhance Profit Growth <1>

Merging a subsidiary

- **SBI Holdings Acquired 100% ownership of SBI VeriTrans** (schedule for Aug. 1)
(Announced by SBI Holdings on Feb. 24, 2011)

SBI VeriTrans to be delisted, through a share exchange with SBI Holdings.

As SBI rolls out various Internet-based financial services overseas, the EC settlement services becomes a key growth sector. SBI VeriTrans Co., Ltd. is a provider of EC settlement services within the SBI Group. Having made this firm a subsidiary, SBI will work to accelerate the overseas development of the EC settlement services business.

Integration, Merger

- **Integrated Gomez Consulting with Morningstar Japan (scheduled for Jul. 1)**
(Announced by Morningstar Japan on May.20, 2011)

Gomez Consulting was delisted, having become a wholly owned subsidiary through an exchange of shares.

A more integrated approach to the management of the two companies will allow cost reductions and enhanced sales capabilities, since they operate in closely related business fields. (Savings of about 15 million yen annually is expected, just for the elimination of the listing-related expenses for Gomez.)

- **Integrated Kensho TV (operation of giveaway website) with SBI Marketing**
⇒Pursue further management efficiency

Promote the “Brilliant Cut” Initiative, Measures to Further Enhance Profit Growth <2>

JV Establishment

- Established SBI-LG Systems, the joint venture with Korea's LG CNS, targeting substantial system cost reductions
Targeting 25-40% reduction of system costs (currently 15 bil. yen per annum) in 3 years.

Liquidation, Business Termination, etc.

- The joint venture, SBI HotGrinds (services based on the next-generation web technology) with US partner, was terminated and dissolved
- Sold shares of E*GOLF Corporation
- Liquidated SBI ArchiWorks on April 25
- Shares of HOMEOSTYLE (offering services for beauty care and health food products) are to be sold

Others

- Reorganize operations and personnel of SBI Asset Management
=> Achieved a single-month profit in April
- The card business, which accounts for half of the loss, will be thoroughly reviewed

Appendix

SBI Holdings' Shareholder Composition

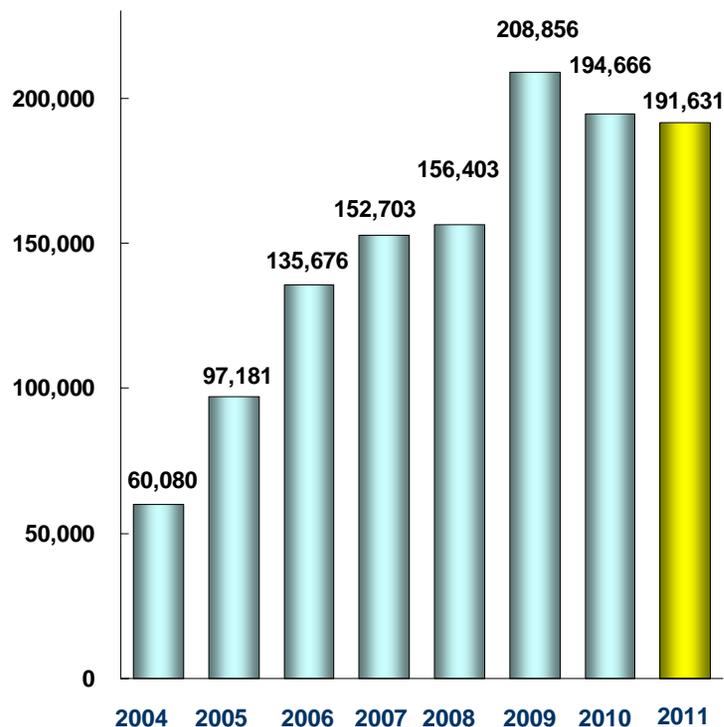


Foreign investors' shareholding ratio rapidly increased after FY2008

24.2% (Mar. 2008) → 44.2% (Mar. 2009) → 45.2% (Mar. 2010) → **45.5% (Mar. 2011)**

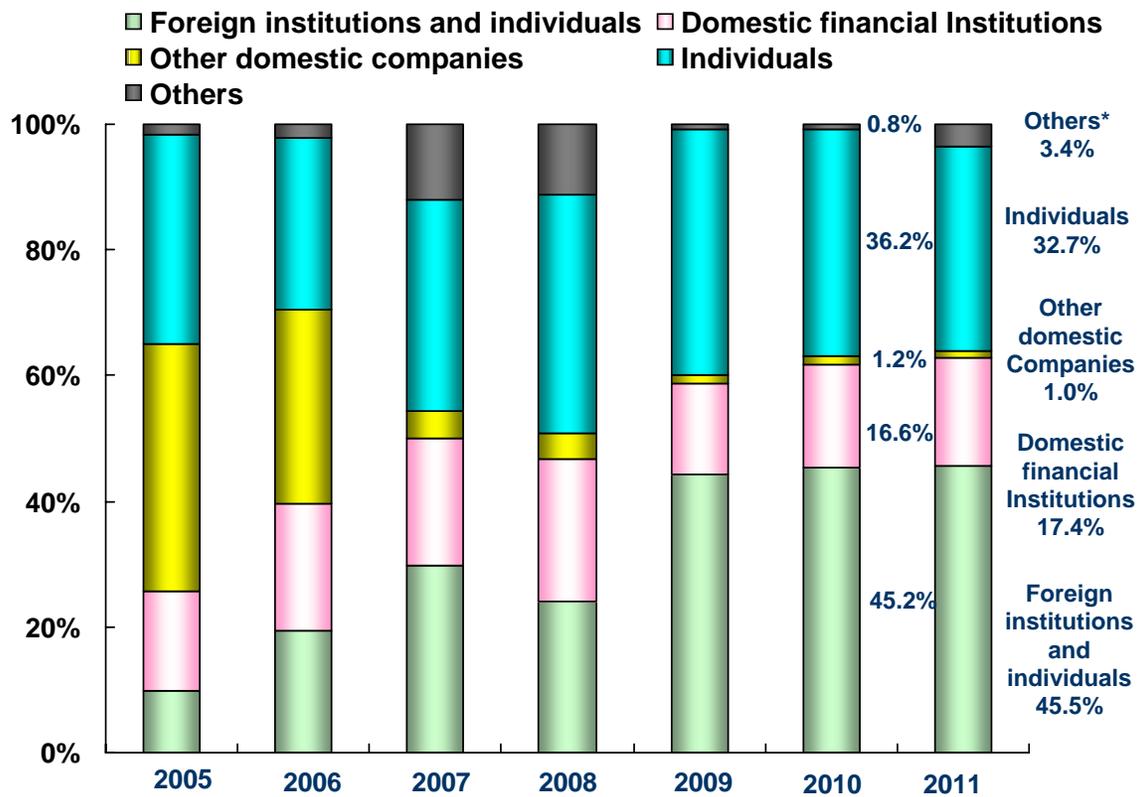
Number of Shareholders

(Number of holders)



* End of March

Shareholder Composition



* End of March

*Others includes treasury stock (0.07%)

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