



*Strategic
Business
Innovator*

SBI Holdings, Inc. 2012 Information Meeting

November 27 Tokyo

December 3 Osaka

December 7 Nagoya

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

Today's Program

Part I Explanations for the Key Questions

Part II Q&A

Part I Key Questions

- 1. The major causes for the decrease in revenue and profit QoQ for 2Q FY2012**
- 2. The measures implemented to strengthen profitability**
- 3. Why is the Biotechnology-related Business is placed as one of the major businesses?**
- 4. The SBI Group's mid- and long-term management strategy**
- 5. Management's thoughts on SBI's share price**

1. The major causes for the decrease in revenue and profit QoQ for 2Q FY2012

Key Points of 1H FY2012 Consolidated Results

- (1) Introduction of IFRS and group reorganization**
- (2) Consolidated financial results**
- (3) Consolidated results by segment**

Key Points of 1H FY2012 Consolidated Results

- (1) Resolved to promptly introduce the International Financial Reporting Standards (IFRS) starting this fiscal year ending Mar. 2013, as was required by the Hong Kong Stock Exchange for the listing, and implemented group reorganization.**
- (2) Owing to the adoption of IFRS and the group reorganization, the volatility of the consolidated financial results increased.**
- (3) Considering consolidated results by segment on a quarterly basis, although the Financial Services Business progressed smoothly, the Asset Management Business results were significantly influenced by the fair-value-based asset evaluation.**

Owing to the adoption of IFRS, the operating revenue and each profit stage is viewed thoroughly differently from that based on J-GAAP

As Committed at the Time of the Hong Kong Listing, Introduced IFRS Starting This Fiscal Year (FY2012)

International Financial Reporting Standards (IFRS):

International accounting standard adopted in over 110 countries worldwide

Only 8 Japanese listed companies, such as Sumitomo Corp., JT, HOYA and DeNA, have introduced IFRS (as of Sept. 2012)

Purposes of the Adoption of IFRS

To place great emphasis on “fair-value-based asset evaluation”

To appropriately represent the creation of value

Highly Transparent Management and Financial Reporting

In these days, companies are required to be adaptable to environmental changes. With a view to matching global standards, we have decided to adopt IFRS, a tool we can employ to “develop self-awareness”, identify various risks and accomplish our constant evolution

Implementation of Group Reorganization Responding to the Adoption of IFRS

The Background to Implement Organizational Restructuring Within the Group

(Announced at the fiscal result reporting on Apr. 26, 2012)

- **Determined to promptly introduce the International Financial Reporting Standards (IFRS) starting in the fiscal year ending Mar. 31, 2013, as was required by the Hong Kong Stock Exchange for the listing**

Operational investment securities are evaluated quarterly based on fair value.

Valuation gain/loss is recorded on operating revenue even when there is no actual sale of assets. The same amount of gain/loss is to be recorded on operating income/loss and profit/loss before income tax expense

- **There is a possibility that fluctuation in the periodic profit or loss will be larger than before in the Asset Management Business. Therefore, it is desirable that clear distinctions be drawn between this business and other businesses.**

- **The Financial Services Business will move on to the third phase of the Brilliant Cut Initiative, in which it will thoroughly pursue synergies with the three core businesses of securities, banking, and insurance.**

- **Securities Business and Financial Service Business will be integrated into one segment. Shift to an organizational structure capable of thoroughly pursuing synergies by unifying the sales infrastructures of securities, insurance and housing loan businesses as a common infrastructure.**

- **The Biotechnology-related Business, which will be a New Revenue Source, will be focused upon.**



Starting in FY2012, Group Organization System Focusing on the Three Major Businesses

[New Organization]



Asset Management Business
Intermediate holding company
“SBI Capital Management”

Major Companies:

SBI Ven Capital Pte. Ltd.

Overseas bases, GP of overseas funds, etc.

Financial Services Business
Intermediate holding company
“SBI FINANCIAL SERVICES”

Major Companies:

... etc.

Biotechnology-related Business
Intermediate holding company
“SBI ALA Hong Kong”

Major Companies:

... etc.

Each business segment has established an intermediate holding company

1H FY2012 Consolidated Performance (IFRS)

(JPY million)

	1H FY2011 (Apr. 2011 – Sept. 2011)	1H FY2012 (Apr. 2012 – Sept. 2012)	YoY change
Operating Revenue	80,877	67,583	-13,294
Operating Income	5,641	806	-4,835
Profit Before Income Tax Expense	4,635	-296	-4,931
Profit for the Period	1,129	-819	-1,948
Profit attributable to owners of the Company	334	-1,364	-1,698

Main factors

1. Changes from the introduction of IFRS
2. Changes from organizational restructuring

Owing to the Adoption of IFRS and the Group Reorganization, the Volatility of the Consolidated Financial Results Increased

1. Changes from the introduction of IFRS

Impact on operating revenue of 1H FY2012 (YoY)

Changes from the introduction of IFRS (①+②) -JPY 12.0bn

① Performance fluctuation due to consolidation scope

Changes due to the application of IFRS

- Since IFRS does not specify rules for the exclusion of subsidiaries from consolidation, companies in which **the Group holds over 50% of shares must be consolidated**, so the scope of consolidation under IFRS widens
- Subsidiaries which were excluded from the scope of consolidation due to their insignificance, etc. have now been recognized as consolidated subsidiaries

No. of consolidated subsidiaries: **118 companies** (including partnerships) (as of Mar. 2012)
 **168 companies** (including partnerships) (as of Sept. 2012)


 Loss from the sale of VSN, which became a consolidated subsidiary based on IFRS, during the 2H FY2011 (Jan. 2012)

(YoY)
-JPY 8.0bn ①

Owing to the Adoption of IFRS and the Group Reorganization, the Volatility of the Consolidated Financial Results Increased

1. Changes from the introduction of IFRS (cont.)

② Changes in revenue recognition due to fair-valued asset evaluation (*)

Changes due to the application of IFRS

- Possessed operational investment securities are **all evaluated quarterly based on fair-valued**, whether listed or unlisted
- Valuation gain/loss is recognized as operating revenue and is **recorded on a net base**
 - ▶ Operating revenue: Difference between the fair value as of the end of the “current quarter” and the “previous quarter”
- Valuation gain/loss is recorded as operating revenue even when there is **no actual sale of assets**



(YoY)

Losses from decrease in fair-value of operational investment securities for 2Q FY2012 (July-Sept. 2012)

-JPY 4.0bn ②

* “Fair-value” indicates “actual value” based on market price. Unlisted shares which do not have a market price, are evaluated through various techniques.

Owing to the Adoption of IFRS and the Group Reorganization, the Volatility of the Consolidated Financial Results Increased

2. Changes from group reorganization

- Earnings fluctuation due to sales of consolidated subsidiaries**

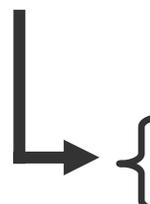
The Group continues to conduct business reorganization through the advance of the “Brilliant Cut Initiative” that realizes selection and concentration of business.

Financial results of a consolidated subsidiary which has been sold will be excluded from the consolidated results of the Group, making it a significant factor of fluctuation when comparing past consolidated results of the Group.



Impact on operating revenue of 1H FY2012 (YoY)

Changes from organizational restructuring	-3.1b
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	Decrease from sale of the former SBI VeriTrans (in Mar. 2012)	-3.6b
	Decrease from sale of the former HOMEOSTYLE (in Nov. 2011)	-2.3b
	Marginal gain recorded from step acquisition procedure of SBI Japannext as a consolidated subsidiary	+2.8b

FY2012 Quarterly Consolidated Performance (IFRS)

(JPY million)

	1Q FY2012 (Apr. 2012 - June 2012)	2Q FY2012 (July 2012 - Sept. 2012)	1H FY2012 (Apr. 2012 - Sept. 2012)
Operating Revenue	36,599	30,984	67,583
Operating Income	3,906	-3,100	806
Profit Before Income Tax Expense	3,432	-3,728	-296
Profit for the Period	2,279	-3,098	-819
Profit attributable to owners of the Company	1,403	-2,767	-1,364

Financial Services Business progressed strongly, however, fair-value-based asset evaluation in Asset Management Business highly influenced the consolidated operating revenue and each profit stage.

FY2012 Quarterly Operating Revenue by Segment (IFRS)

(JPY million)

	1Q FY2012 (Apr. 2012 - June 2012)	2Q FY2012 (July 2012 - Sept. 2012)	1H FY2012 (Apr. 2012 - Sept. 2012)
Financial Services Business	23,668	26,959	50,627
Asset Management Business	11,639	2,026	13,665
Biotechnology-related Business	276	224	500
Others (Mainly Housing and Real Estate Business)	1,663	2,527	4,190

* Note: Figures referring to segment totals do not include consolidated elimination.

FY2012 Quarterly Profit Before Income Tax Expense by Segment (IFRS)

(JPY million)

	1Q FY2012 (Apr. 2012 - June 2012)	2Q FY2012 (July 2012 - Sept. 2012)	1H FY2012 (Apr. 2012 - Sept. 2012)
Financial Services Business	659	3,219	3,878
Asset Management Business	5,087	-4,608	479
Biotechnology-related Business	-687	-473	-1,160
Others (Mainly Housing and Real Estate Business)	134	512	646

* Note: Figures referring to segment totals do not include consolidated elimination.

① Asset Management Business

Depending on the market conditions of quarter end, the fair value of operational investment securities, the component of operating revenue, greatly impacted the performance of the Asset Management Business.

[Primary Fluctuations Factors in Quarterly Results]

(IFRS, JPY billion)

	1Q FY2012 (Apr.-June 2012)	2Q FY2012 (July-Sept. 2012)
Operating revenue (Asset Management)	11.6	2.0
Profits and losses from the change in fair value	5.8	-3.3
SBI Capital Solutions related *1	0.5	0
Investees under management and consultation *2	4.7	4.7
Profit before income tax expense (Asset Management)	5.1	-4.6
Profits and losses from the change in fair value	5.8	-3.3
SBI Capital Solutions related *1	0.4	-0.2
Investees under management and consultation *2	0.3	-0.1

*1 Includes SBI Capital Solutions (sold in September 2012) and the funds managed by the company.

*2 Controlling companies among the companies acquired to manage and consult are consolidated and the results are reflected in the Asset Management Business.

Applied to: SBI AXES and NARUMIYA INTERNATIONAL.

Analysis of Decrease in Revenue and Profit Reflecting Changes in Fair Value in This 2Q (July-Sept.)

2Q FY2012 (July-Sept.) Market Environment Affecting the Asset Management Business

[The Stock Market]

	June 30	→	Sept. 30	Change
Nikkei 225	9,006.78	→	8,870.16	-1.5%
SSE Composite	2,225.43	→	2,086.16	-6.3%

[The Exchange Against the Yen]

1 currency unit = yen

	Average rates for 1Q	→	Average rates for 2Q	Change
EUR	102.94	→	98.41	-4.4%
CNY	12.65	→	12.38	-2.1%
USD	80.06	→	78.63	-1.8%

Major valuation profits and losses resulting from listed stock price fluctuations in the stock markets for 2Q FY2012

(JPY billion)

Stock name	Valuation loss	Details of the influences
New Horizon Fund (No.1&2)	-1.3	Contains Chinese listed stocks in the investees in the funds
Haitong Securities	-0.3	Listed on Chinese Markets (Shanghai, Hong Kong)
Renren	-0.2	Chinese stock (listed on NYSE)
Tokyo Stock Exchange	-0.8	Tracks OSE price (listed on JASDAQ)

For those operational investment securities that fair value valuation is applied to, evaluation profits and losses were significantly impacted particularly by the deterioration of the Chinese stock market.

② Financial Services Business

- Subsidiaries Affecting QoQ Business Performance Fluctuations -

[Major factors affecting changes in Operating Revenue]

(Based on IFRS, Unit: JPY billion)

	1Q FY2012	2Q FY2012	QoQ change	Major elements
Operating Revenue of Financial Services Business	23.7	27.0	+3.3	
SBI SECURITIES	9.2	9.0	-0.2	Decrease in Individual brokerage trading value
SBI Liquidity Market	1.9	1.5	-0.4	Decreased volatility of the currency exchange rates
SBI Insurance	4.7	4.9	+0.2	Number of contracts and the corresponding premiums received continue to grow steadily
SBI Mortgage	2.9	3.4	+0.5	Balance of Housing Loans continue to grow steadily
Gain on step acquisition associated with the consolidation of SBI Japannext *2	-	2.8	+2.8	Consolidation of SBI Japannext through additional share acquisition

*1 Rounded up or down to the nearest 100 million yen

*2 SBI Japannext has been consolidated from Sept. 30, 2012.

*3 Abovementioned figures are the financial results of each company that is recognized in SBIH's consolidated financial statements

② Financial Services Business

- Subsidiaries Affecting QoQ Business Performance Fluctuations -

[Major factors affecting change in Profit Before Income Tax Expense]

(Based on IFRS,
Unit: JPY billion)

	1Q FY2012	2Q FY2012	QoQ change
Profit Before Income Tax Expense of Financial Services Business	0.7	3.2	+2.5
SBI SECURITIES	1.3	1.7	+0.4
SBI Liquidity Market	0.4	0.3	-0.1
SBI Insurance	-0.9	-2.2	-1.3
SBI Mortgage	0.5	0.9	+0.4
SBI Sumishin Net Bank (Share of profits of associates using the equity method)	-0.7	0.1	+0.8
Gain on step acquisition associated with the consolidation of SBI Japannext *2	-	2.8	+2.8

*1 Rounded up or down to the nearest 100 million yen

*2 SBI Japannext has been consolidated from Sept. 30, 2012.

*3 Abovementioned figures are the financial results of each company that is recognized in SBIH's consolidated financial statements

[State of Companies that were Primarily Responsible for QoQ Changes]

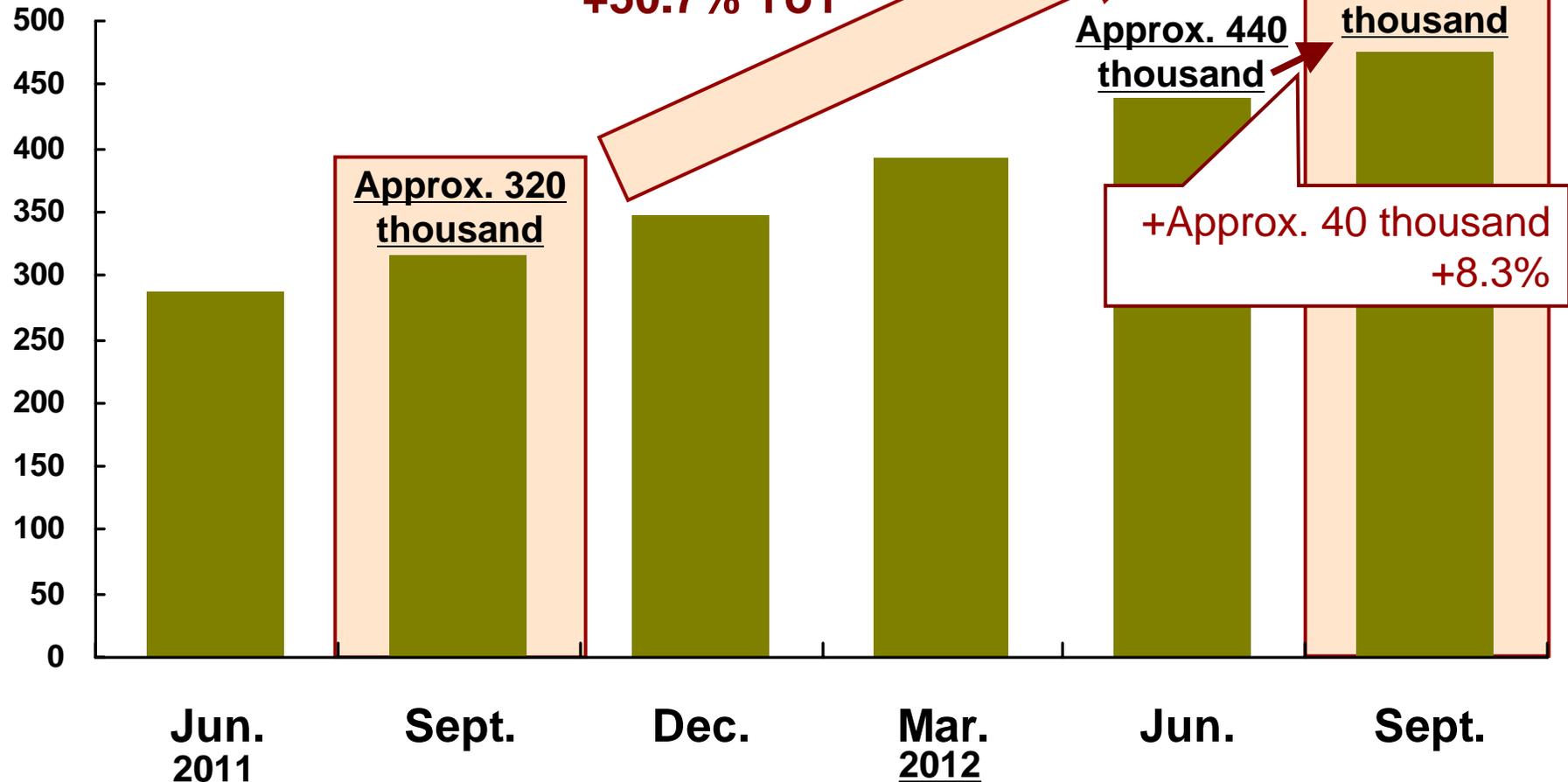
- (i) SBI Insurance**
- (ii) SBI SECURITIES**
- (iii) SBI Sumishin Net Bank**
(Equity-method Company)

SBI Insurance's Auto Insurance Contracts Posted a High Growth Rate, Growing by 50.7% Year-on-year

Number of Auto Insurance Contracts (Written Basis*) / Cumulative

The end of October 2012
Approx. 490 thousand

(thousand policies)



*Written basis: Completion of receipt of insurance premium *Excluding continuing contracts, expiring contracts, and early-withdrawals

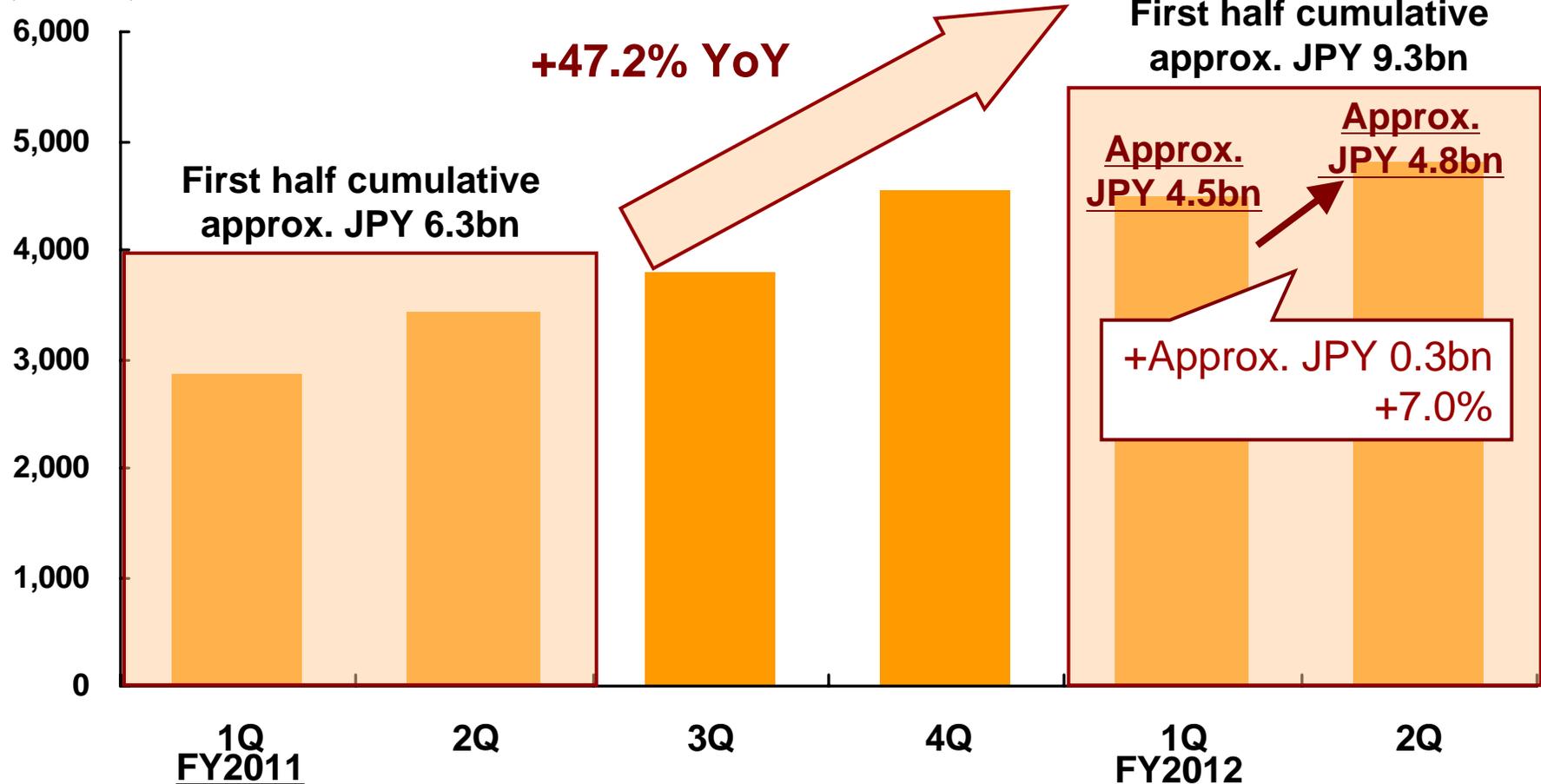
Insurance Premium Income at SBI Insurance Continues to Increase

The premium income for 1H FY2012 (Apr.-Sept. 2012) was approx. JPY 9.3bn, up 47.2% YoY

The end of October 2012
Approx. JPY 10.9bn
(cumulative as of the end of Oct)

Change in Insurance Premium Income (Written Basis*)

(JPY million)



* Written basis: Completion of receiving transaction of insurance premiums

Accounting Loss Increase, Owing to the Increase in Underwriting Reserves

As a practice unique to the insurance business, the increase in underwriting reserves accounts for the increase in the accounting loss during the foundation period, when the insurance premium income is growing at a significant rate from the previous fiscal year.

	1Q FY2012	2Q FY2012
Underwriting reserve	JPY 9.6bn	JPY 10.2bn
Net loss (in terms of the impact on SBI Holdings consolidated results, based on IFRS)	JPY -0.9bn	JPY -2.2bn
Operational cash flow	JPY 0.11bn	JPY 0.35bn
	June 30, 2012	Sept. 30, 2012
Solvency margin ratio* (One of the indicators of relative soundness of management)	413.2%	722.0%

Insurance events increased due to seasonal influences, such as summer holidays, typhoons, heavy rain falls, etc. In addition, September saw the last payment of one-off expenses (JPY 0.75bn) associated with the termination of past reinsurance agreements

Positive cash flows maintained since 2Q FY2011

Increased capital by JPY 6.0bn in Sept. 2012

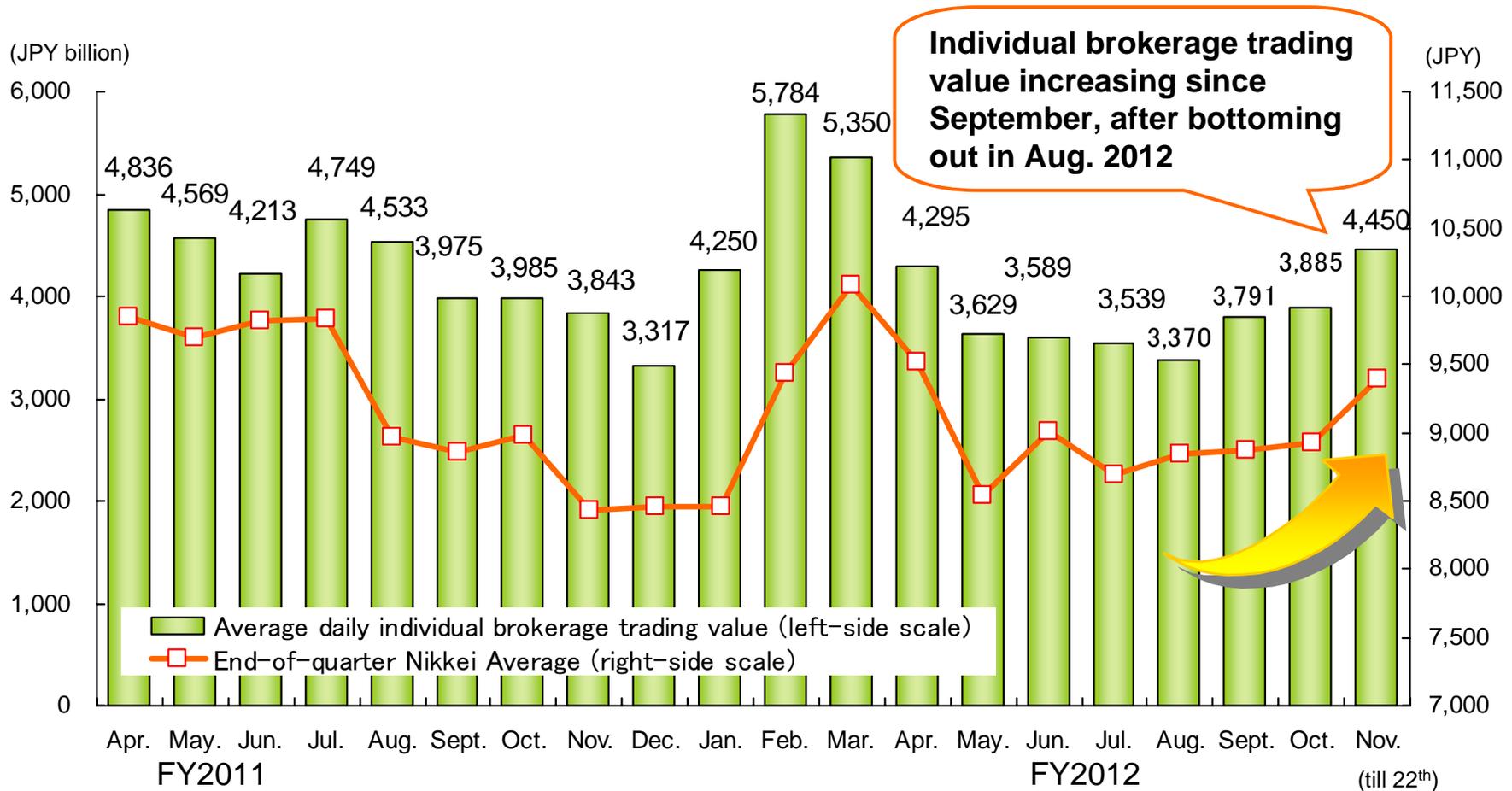
Working to lower loss ratio and draw down net expenses to improve profitability, with the objective of achieving a turnaround on an IFRS consolidated basis in FY2015, as well as conducting anIPO in FY2016.

* Solvency margin ratio:

This is one of the Insurance Business Act indices for the determination of the relative soundness of the management of an insurance company. It indicates if a company has enough cash to pay insurance claims on time. If a company has a solvency margin ratio above 200%, the company is considered as 'its financial condition such as ability to pay insurance premium is favorable'. The numbers above are calculated under the current new standard. The numbers at EOM Sept. 2012 are before audit.

Comparison of Average Daily Individual Brokerage Trading Value (3 market total*)

➤ Cumulative individual brokerage trading value in Japan for 1H FY2012 was JPY46,106.0 billion, down 16.2% YoY, reflecting the anticipated global downturn in economic growth and increased financial regulations



*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

SBI SECURITIES 1H FY2012 Consolidated Results (J-GAAP)



[Year-on-year]

(JPY million, %)

	1H FY2012 (Apr. 2011 - Sept. 2011)	1H FY2012 (Apr. 2012 - Sept. 2012)	YoY change (%)
Operating Revenue (Net Sales)	20,285	18,209	-10.2
Net Operating Revenue	18,620	16,799	-9.8
Operating Income	3,957	3,087	-22.0
Ordinary Income	3,997	3,156	-21.0
Earnings Before Tax ※	5,366	3,953	-26.3
Net Income	3,153	2,413	-23.5

*Recorded extraordinary gain of JPY 767m in 1H FY2011 and JPY 891m in 1H FY2012 for the reversal of reserves for financial product transaction liabilities

SBI SECURITIES 2Q FY2012 Consolidated Results (J-GAAP)



[Quarter-on-quarter]

(JPY million, %)

	1Q FY2012 (Apr. 2012 - Jun. 2012)	2Q FY2012 (Jul. 2012 - Sep. 2012)	QoQ change (%)
Operating Revenue (Net Sales)	9,178	9,031	-1.6
Net Operating Revenue	8,536	8,263	-3.2
Operating Income	1,426	1,661	+16.5
Ordinary Income	1,455	1,701	+16.9
Earnings Before Tax ※	2,262	1,691	-25.2
Net Income	1,370	1,043	-23.9

*Recorded extraordinary gain of JPY 891m in 1Q FY2012 for the reversal of reserves for financial product transaction liabilities

Impact from SBI Sumishin Net Bank's Results (Based on J-GAAP) to SBIH's Consolidated Results (Based on IFRS)

[SBI Sumishin Net Bank's Consolidated Results: Based on J-GAAP]

(Unit: JPY billion)

	1Q FY2012 (Apr.-June 2012)	2Q FY2012 (July-Sept. 2012)	QoQ change
SBI Sumishin Net Bank Ordinary Income	1.3	1.5	+0.2
SBI Holdings Consolidated Amount (*)	0.4	0.5	+0.1

* SBI Sumishin Net Bank's net income × 50 %(equity interest)



[SBI Holdings' Consolidated Results : Based on IFRS]

(Unit: JPY billion)

Share of profits of associates using the equity method	-0.7	0.1	+0.8
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Although SBI Sumishin Net Bank uses interest rate swaps in preparation for the rise in interest rates, SBIH recorded deferred losses from hedging, etc. based on IFRS, owing to the decline of interest rates in 1Q FY2012.

*1 Amounts are rounded to nearest 100 million yen

2. The Measures Implemented to Strengthen Profitability

- (1) Advancement of “Brilliant Cut Initiative” and Thorough Implementation of Selection and Concentration**
- (2) Thorough Head Office Cost Reduction**

(1) Advancement of “Brilliant Cut Initiative” and Thorough Implementation of Selection and Concentration

What is the SBI Group's "Brilliant Cut Initiative"?

(Announced in July 2010)

Thorough "selection and concentration"

Brilliant Cut: Designed to be the most beautiful and brilliant type of diamond

(Theorized in 1919 by Belgian-born mathematician Marcel Tolkowski)



Diamond glitters most when polished in 58 facets

Apply it to business ecosystem



Focusing more on higher profitability rather than expansion of group scale, 58 vital entities were selected from over 100 entities

Making the SBI Group a "Brilliant Cut Diamond" whose facets sparkles more beautifully, and brilliantly glitters as a whole

Brilliant Cut Initiative in Financial Services Businesses Transitioned into the Third Phase, in which Further Synergies with the Three Core Businesses are Pursued

First Phase (from July 2010):

The primary goal was each company's turning profitable in operating income, and companies that failed to achieve the goal in 3 years were to be liquidated or sold.



Second Phase (from Apr. 2011):

Examined each company's earnings capacity by taking into account B/S, C/F situation as well as changes in operating income.



Third Phase (from Mar. 2012):

Examine each company's synergy with the three core businesses, in addition to the earnings capacity, and concentrate resources solely on those businesses with strong synergies.

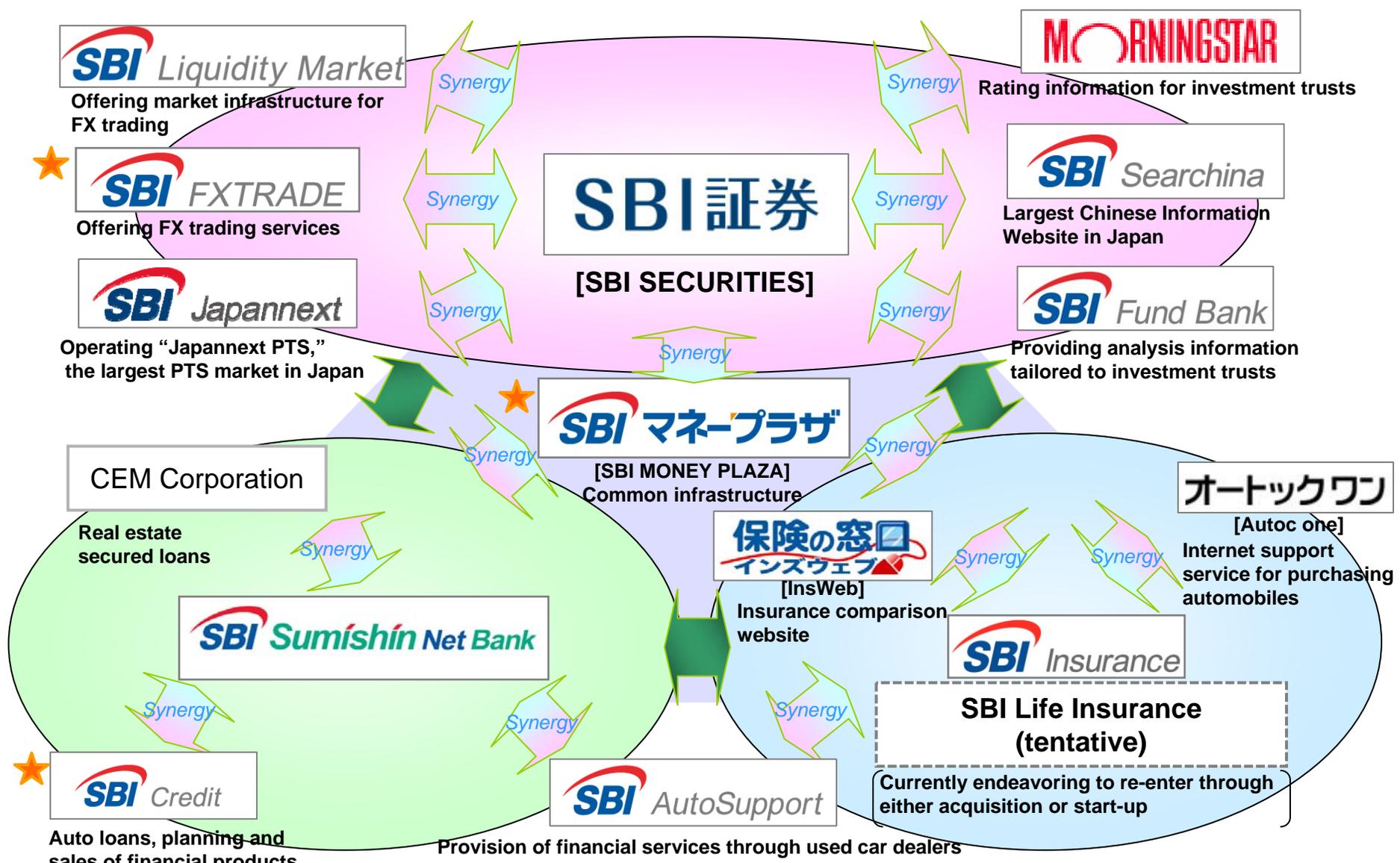
Brilliant Cut Initiative's Third Phase Measures (from April 2012)

- Measure ① Extensive strengthening of the three core businesses and their supporting businesses in the Financial Services Business**
- Measure ② In principle, subsidiaries that are not expected to generate strong synergies with the three core businesses are to be sold or publicly offered on either domestic or foreign markets, with the proceeds to be partly appropriated to strengthen the three core businesses**
- Measure ③ Organizational restructuring to integrally operate closely-related businesses**
- Measure ④ Promotion of alliances with companies outside the Group to strengthen the three core businesses**
- Measure ⑤ Creation of new growth potential businesses, which are closely associated with the three core businesses**



Thorough selection and concentration

Extensive Strengthening of the Three Core Businesses and Their Supporting Businesses in the Financial Services Business



Companies that Do Not Generate Strong Synergies With the Three Core Companies Are to be Sold As a General Rule, Even If They Are Profitable

- **Sold all shares of SBI VeriTrans (currently VeriTrans) to Digital Garage Group** (Mar. 30, 2012)
 - Transfer price was JPY 13.0bn
 - E-commerce settlement services only provided weak synergies with the three core businesses. In addition, the SBI Group has a subsidiary engaged in the same business, SBI AXES (scheduled to be listed on KOSDAQ on Dec. 17, 2012)

- **Sold all shares of Wall Street Journal Japan to Dow Jones & Company** (Announced on July 13, 2012)
 - The Wall Street Journal Japan had not demonstrated sufficient profitability, and the company was not expected to generate strong synergies with the securities, banking and insurance businesses

- **Transferred all shares of SBI Capital Solutions and the Group's equity interest in funds managed by the company** (Sept. 28, 2012)
 - Transfer price was approx. JPY 3.4bn
 - In the Asset Management Business, the Group will also focus management resources on investments in promising venture firms, medium-sized companies, and small and medium-sized enterprises

Subsidiaries and Investee Companies Continue Preparation Procedures in either Domestic or Overseas Markets

1) (the SBI Group's share: 100%)

*Became a Group subsidiary from FY2012 due to IFRS adoption of SBIH

➤ Submitted securities registration statement to Korea Exchange on Oct. 26, 2012

➤ Determined the terms of issuance for Korea Depositary Receipts (KDR) on Nov. 26, 2012

Offer price: KRW 3,600

→ The demand was 176 times the number of stocks offered

Some bids were at nearly twice the offer price

➤ Scheduled to be listed on KOSDAQ on Dec. 17, 2012

- Holding company that holds settlement service providers, AXES Payment (formerly ZERO) and ZEUS
- Has the advantage in global business expansion, as it provides various foreign currency settlements
 - Expanding business transactions with dozens of leading Korean EC companies (monthly turnover: JPY 0.28bn)
 - Signed a distribution agreement with a few dozen major shopping cart vendors in Korea
 - Expecting to sign a distribution agreement with a leading Korean settlement company

Purpose of KOSDAQ market listing in South Korea

As a foothold to further develop businesses in Asia, and to accelerate business expansion in Korea through the strengthening of its creditworthiness and securing talented human resources.

Subsidiaries and Investee Companies Continue Proceeding with Preparations for IPO in either Domestic or Overseas Markets

2) (the SBI Group's share: 43.8%)

➤ In preparation for the listing on Taiwan's GTSM

- In Dec. 2011, in a proactive effort to attract overseas companies to the Taiwanese market, the government of Taiwan relaxed the regulations concerning direct listing on Taiwanese securities markets by overseas companies.
- Auto Server has commenced proceedings to be listed on Taiwan's GreTai Securities Market (GTSM) and already obtained a securities code (GTSM5266). (*Taiwanese securities markets issue securities codes prior to the IPO application)
- With regard to the listing of Japanese companies on the Taiwanese securities market, the Taiwanese Securities and Futures Bureau (Japanese equivalent of FSA) is currently carrying out adjustments to the differing company laws between Japan and Taiwan.

Auto Server's listing on GTSM, if approved, will be the first primary listing on the market by a Japanese company, or even by a foreign company

By listing on Taiwan's GTSM, Auto Server endeavors to gain recognition in the Chinese world, and to make inroads into the online used car auction business in mainland China.

Proceeds from Sales and IPOs to be Partly Appropriated to Strengthen the Three Core Businesses

Independently financing through IPO

Domestic/overseas markets

Subsidiaries not generating strong synergies with the three core businesses

Sale

Outside companies

Proceeds

SBI SECURITIES
 Sum of capital and capital surplus (as of Sept. 2012): JPY 122.6bn
 + Supporting businesses

SBI MONEY PLAZA

SBI Sumishin Net Bank
 Sum of capital and capital surplus (as of Sept. 2012): JPY 44.6bn
 + Supporting businesses

SBI Insurance
 Sum of capital and capital reserve (as of Sept. 2012): JPY 26.0bn
 SBI Life Insurance (tentative)
 + Supporting businesses

Proceeds

e.g. Appropriated to underwrite a private placement of new shares by SBI Insurance

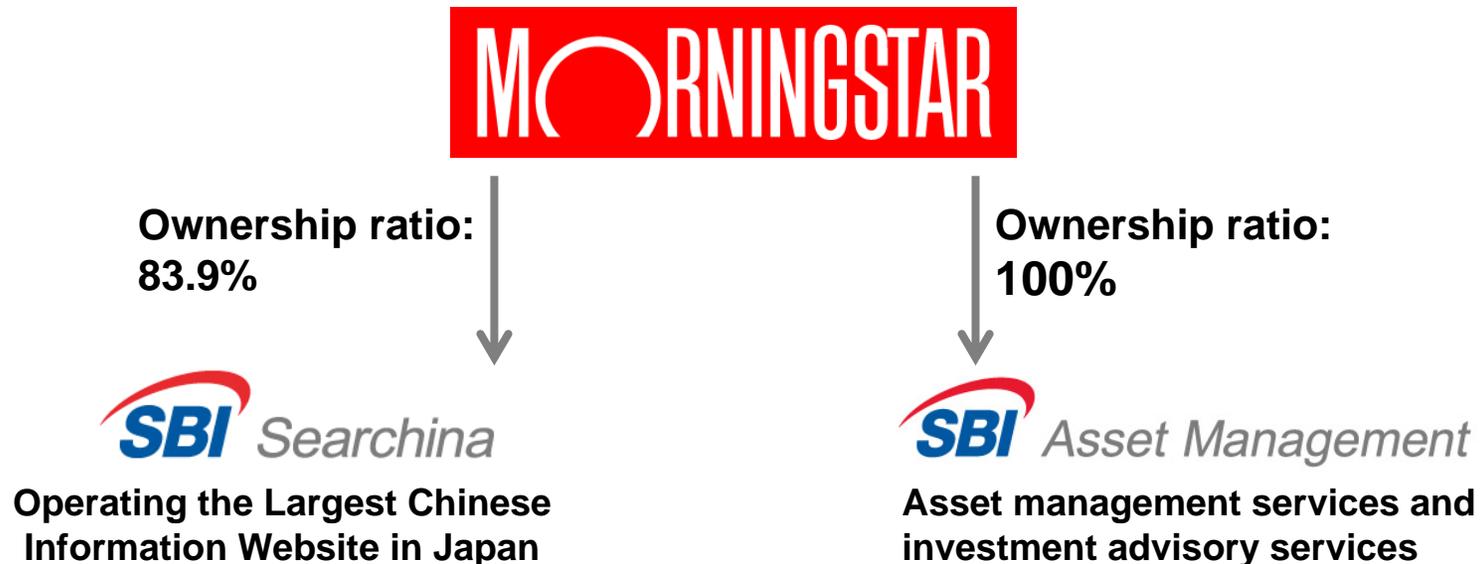
SBI Insurance's capital increases in FY2012

	Amount	Sum of capital and capital reserve
June 2012	JPY 0.8bn	JPY 20.0bn
Sept. 2012	JPY 6.0bn	JPY 26.0bn

On Nov. 2, SBI Sumishin Net Bank issued subordinated bonds, which complement shareholders' equity (Total issue amount: JPY 15.0bn)

Organizational Restructuring to Integrally Operate Closely-related Businesses

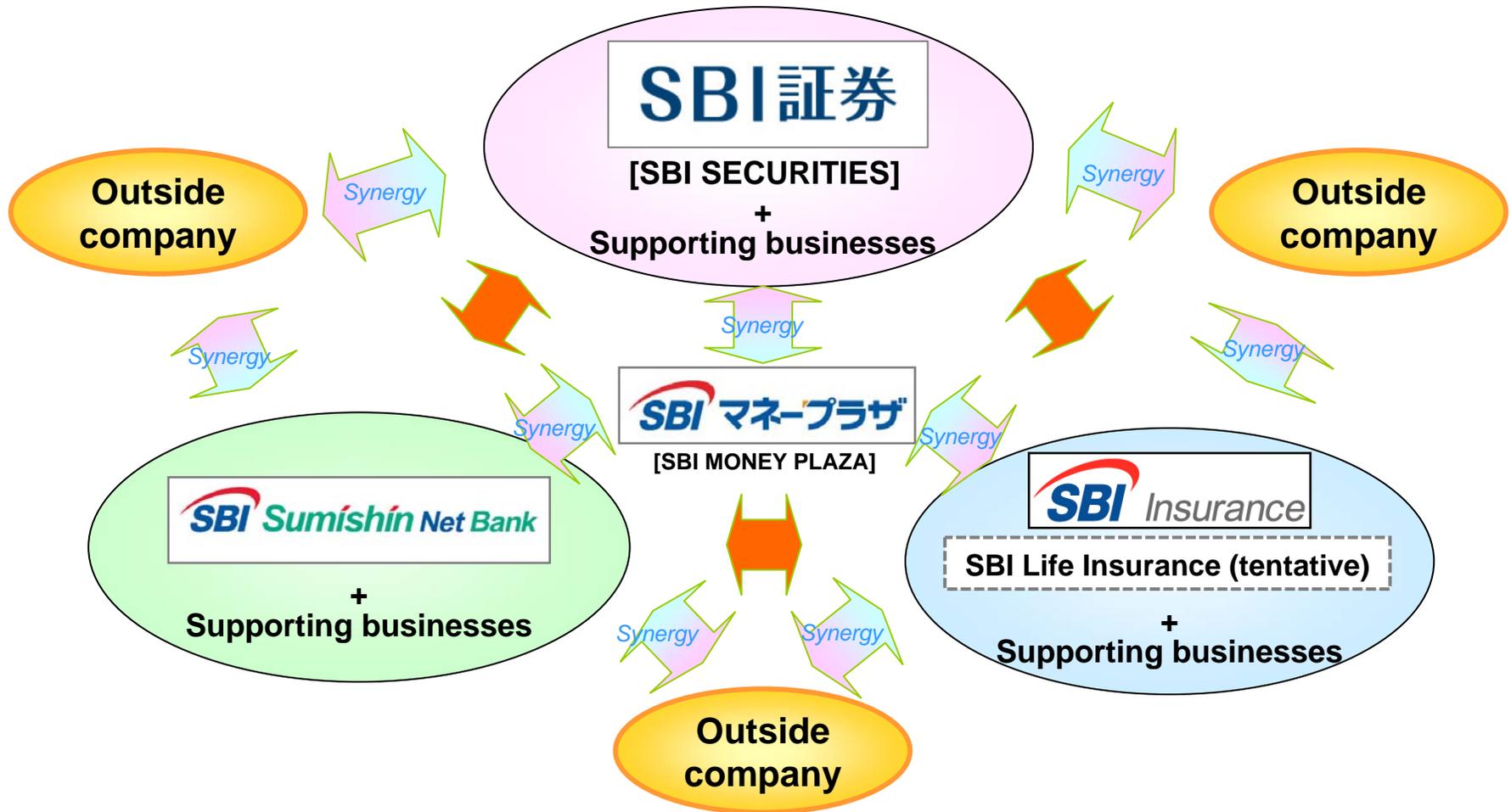
- **Morningstar Japan made SBI Searchina and SBI Asset Management its subsidiaries** (Oct. 11, 2012)



By adding SBI Searchina, which provides China-related information to Morningstar Japan's media, the provision of comprehensive financial information has been realized

Will pursue synergies, such as by setting up various funds utilizing Morningstar's abundant data

Promotion of Alliances with Companies Outside the Group to Strengthen the Three Core Businesses



Promoting strategic collaborations with outside companies, including WebCrew, with which SBI concluded an agreement to form a capital and business alliance in Oct. 2012, to strengthen the three core businesses

Creating New Businesses with Promising Growth Potential that are Closely Aligned with the Three Core Businesses

~Becoming profitable in a short period of time~

- i. SBI Money Plaza Achieved a Monthly Profit in Just Three and a Half Months Since the Start of Operations, and is Contributing to SBI SECURITIES' Increase in Profits and Operating Margin Improvement**
- ii. SBI Japannext, Japan's Largest Operator of the PTS (Proprietary Trading System), Turned Profitable in 1Q FY2012**
- iii. SBI FXTRADE's Trading Volume Increased, Resulting in a One Month Profit in Terms of Operating Balance in October**

i. SBI Money Plaza Achieved a Monthly Profit in Just Three and a Half Months Since the Start of Operations, and is Contributing to SBI SECURITIES' Increase in Profits and Operating Margin Improvement

(Started operations in June 2012)

~Transferred SBI SECURITIES' 23 nationwide branches and 140 sales reps to SBI MONEY PLAZA~

SBI MONEY PLAZA Recorded Successive Single Month Profits in September and October

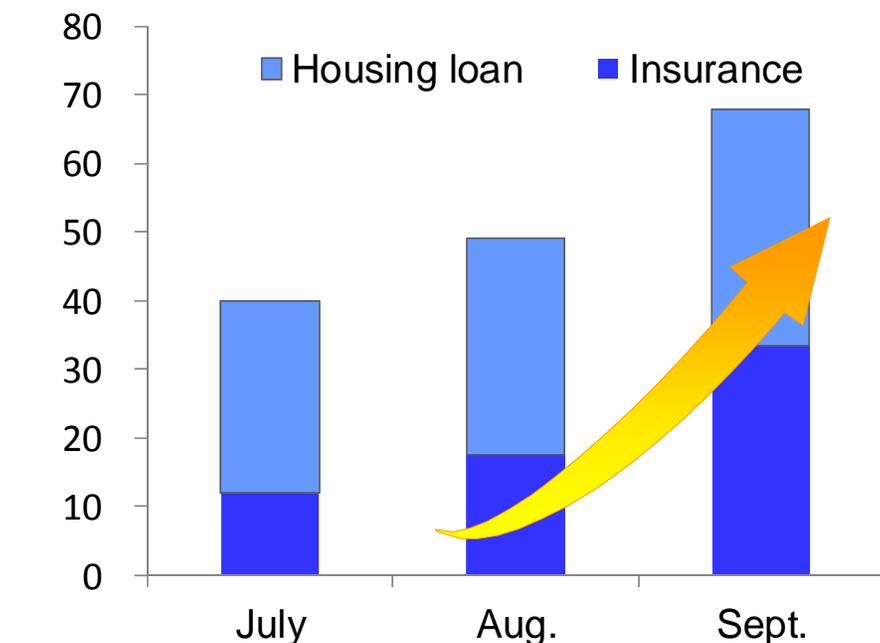
Favorable sales of foreign bonds contributed to the achievement of single month profits in just three and a half

Expanding insurance and housing loan businesses, other than the mainstay securities business

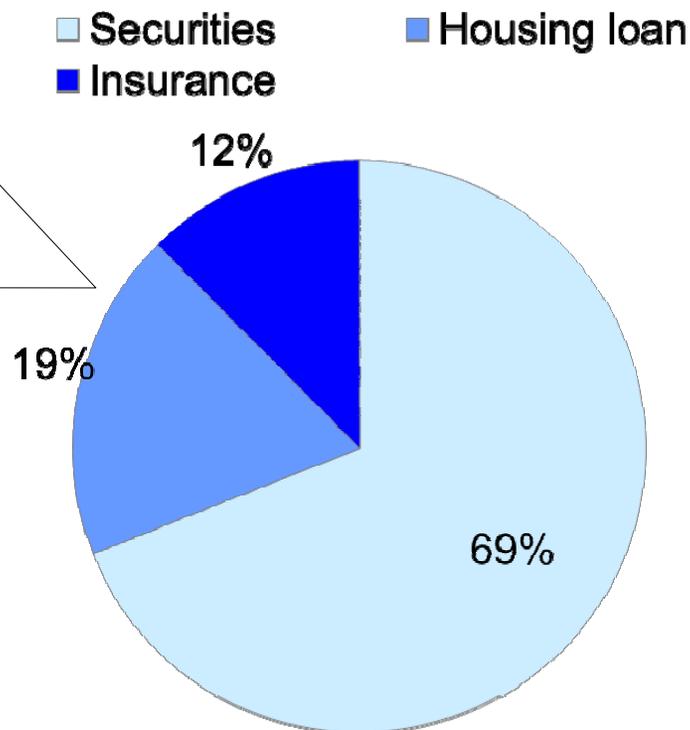
[Change in operating revenue]

(Housing loan and insurance)

(JPY million)



[Breakdown of operating revenue in 2Q]



Expansion of Product Line-up

Life Insurance (15 companies)

Newly started to deal with products of Medicare, Tokyo Marine& Nichido Financial, MassMutual and Manulife (since July)

Nonlife Insurance(19 companies)

SBI損保のがん保険 自由診療タイプ

[SBI Insurance's cancer insurance] (since Aug)

Newly started to deal with products of SAISON AUTOMOBILE&FIRE, American home and Anicom (since Aug)

Small Amount and Short Term Insurance (3 companies)



Mainly deal with SBI SSI's products

Housing Loan (SBI Mortgage)

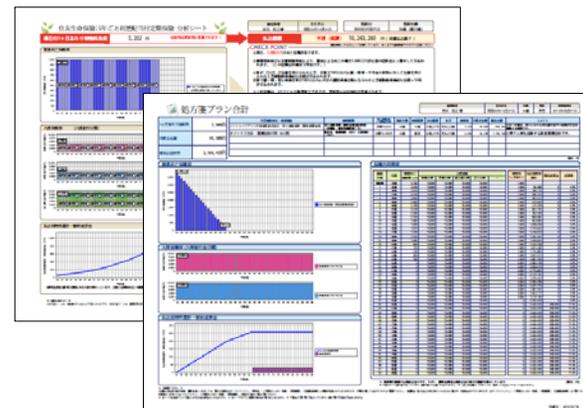
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Other related products, such as solar panels

etc.

Advancing Cross-selling

Utilizing insurance analysis tool



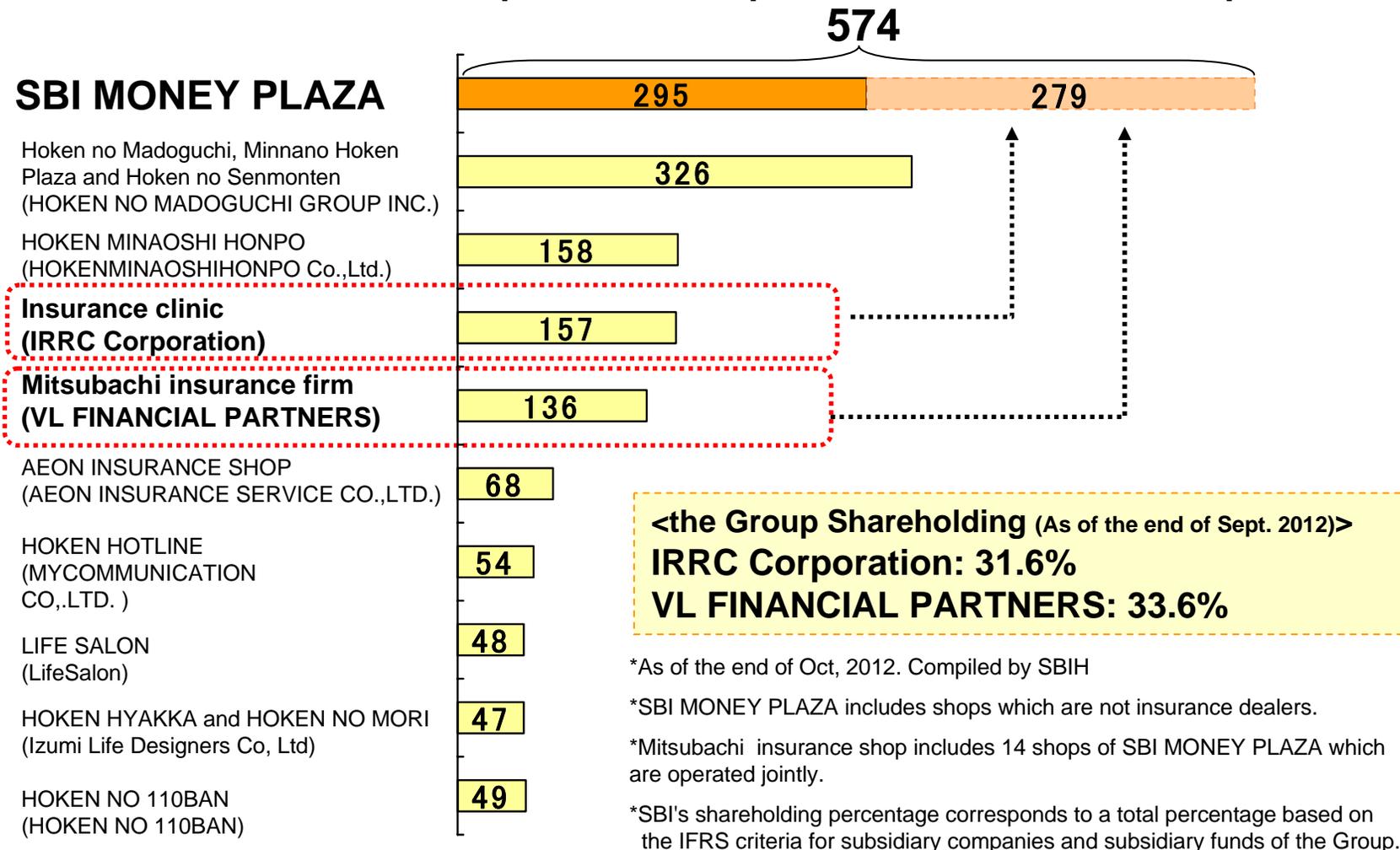
→Enable staff to propose optimum insurance products to current securities customers

Promote other cross-selling

Promote cross-selling through pairing, such as housing loans & insurance, housing loan& securities and housing loan& solar panels etc.

SBI MONEY PLAZA's Number of Shops Attains an Overwhelming No. 1 Position in Japan

The total number of SBI MONEY PLAZA shops, currently at 295, includes Insurance Clinic and Mitsubachi Insurance, both of which will soon carry the SBI MONEY PLAZA brand, far outpaces the competition for the number one position.



Contributes to SBI SECURITIES' Increase in Profits and Operating Margin Improvement

Transfer of personnel from 23 nationwide branches (140 sales reps) of SBI SECURITIES to SBI MONEY PLAZA delivered a dramatic reduction in SG&A expenses, particularly in personnel costs and real estate-related expenses. **SBI SECURITIES' operating margin: 15.5%(1Q FY2012)→18.4%(2Q FY2012)**

Performance Comparison of Major Online Securities Companies (J-GAAP)[2Q FY2012]

(JPY million)

[Operating Income]	1Q FY2012	2Q FY2012	QoQ change
SBI	1,426	1,661	235
Monex	110	-1,015	-1,125
Rakuten	900	562	-338
Matsui (non-cons.)*1	1,376	1,312	-64
kabu.com (non-cons.)	531	373	-158

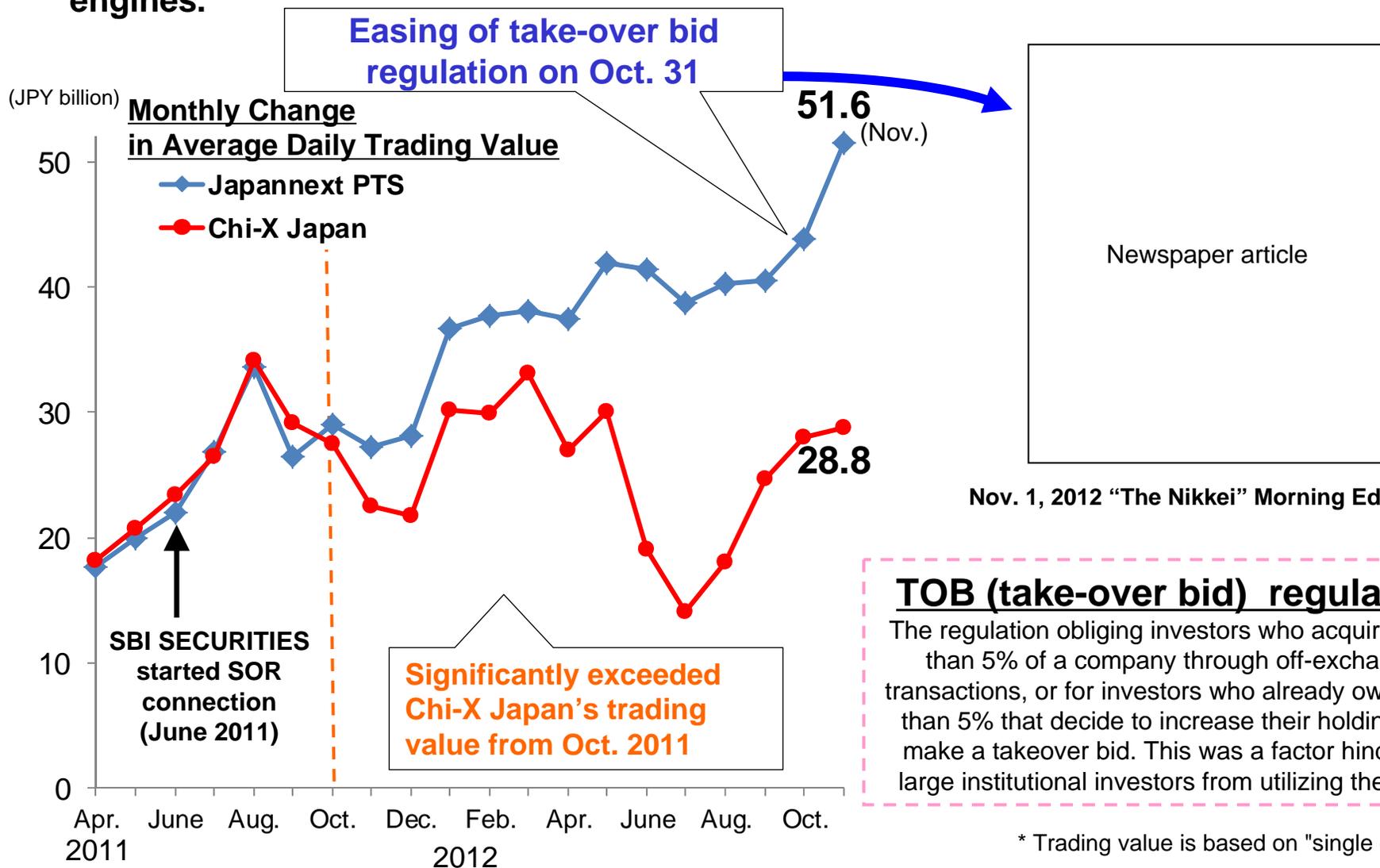
*1 Non-consolidated results are shown, because Matsui absorbed its only consolidated subsidiary during 1Q FY2012.

**ii. SBI Japannext, Japan's Largest Operator
of the PTS (Proprietary Trading System),
Turned Profitable in 1Q FY2012**

(Consolidated in Sept. 2012)

Average Daily Trading Value of Japannext PTS Increasing Steadily

On Sept. 24, in expectation of an increase in trading volume, the main system matching engine was performance enhanced, making it one of the world's fastest level matching engines.



TOB (take-over bid) regulation
 The regulation obliging investors who acquire more than 5% of a company through off-exchange transactions, or for investors who already own more than 5% that decide to increase their holdings, to make a takeover bid. This was a factor hindering large institutional investors from utilizing the PTS.

* Trading value is based on "single count".

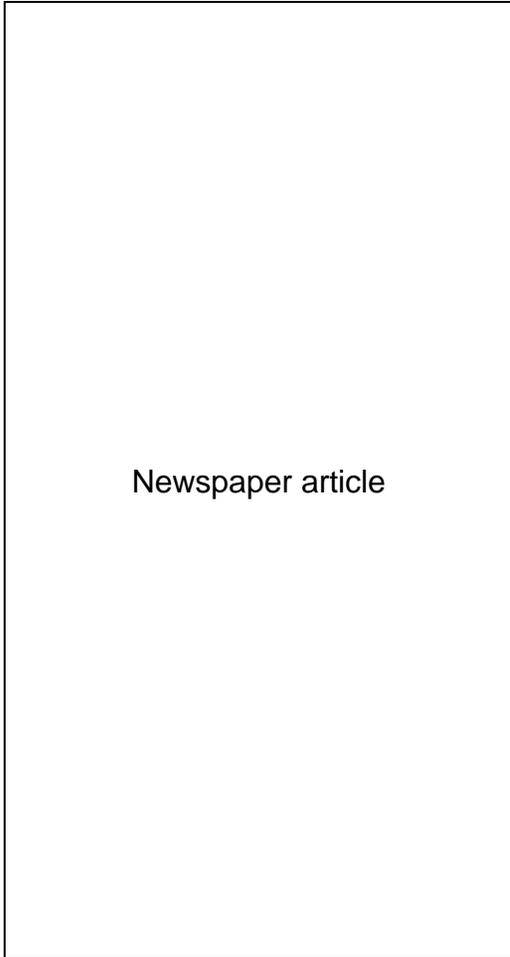
November Trading Value Tops JPY 1Trillion

November 2012 trading value: JPY1,083.9bn (ratio of TSE 1st section: 4.8%)



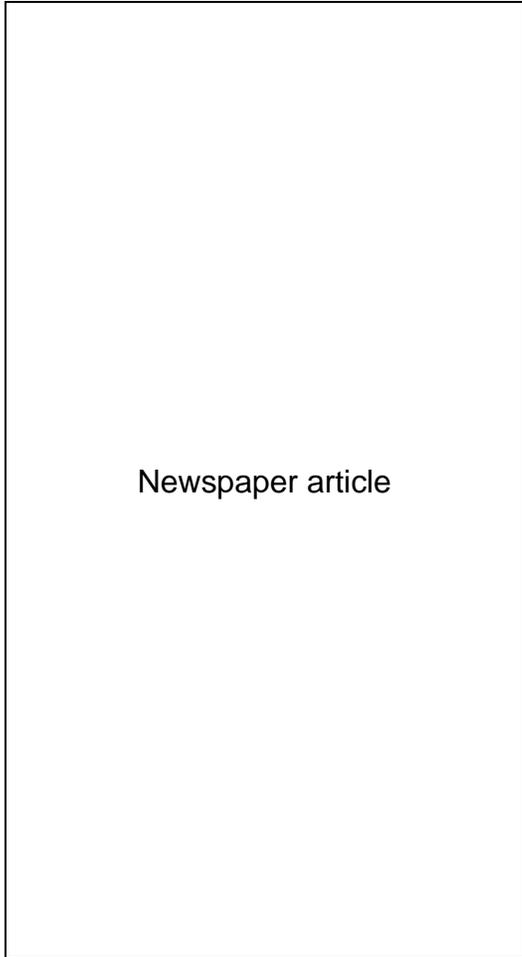
Newspaper article

**Nov. 30, 2012 The Sankei Shimbun
Morning Edition**



Newspaper article

**Nov. 30, 2012 “The Nikkei”
Morning Edition**



Newspaper article

**Dec. 6, 2012 “The Nikkei”
Morning Edition**

Steadily Increasing Participant Companies

[Participating companies] (total 20)

- SBI SECURITIES
- Goldman Sachs Japan
- Morgan Stanley MUFG Securities
- Merrill Lynch Japan Finance
- Deutsche Securities
- Societe Generale Securities
- JP Morgan Securities
- Credit Suisse Securities (Japan)
- UBS Japan
- BNP Paribas Securities (Japan)
- Citigroup Global Markets Japan
- Mizuho Securities
- Barclays Capital Japan (May 2011)
- Nomura Securities (Dec. 2011)
- Newedge Japan Securities (Sept. 2011)
- Macquarie Capital Securities (Mar. 2012)
- **SMBC Nikko Securities (May 2012)**
- **Mitsubishi UFJ MS Securities (May 2012)**
- **Daiwa Securities (October 2012)**
- **Tachibana Securities (November 2012)**

4 newly participating companies since FY2012

[Companies Expected to Participate] (total 3)

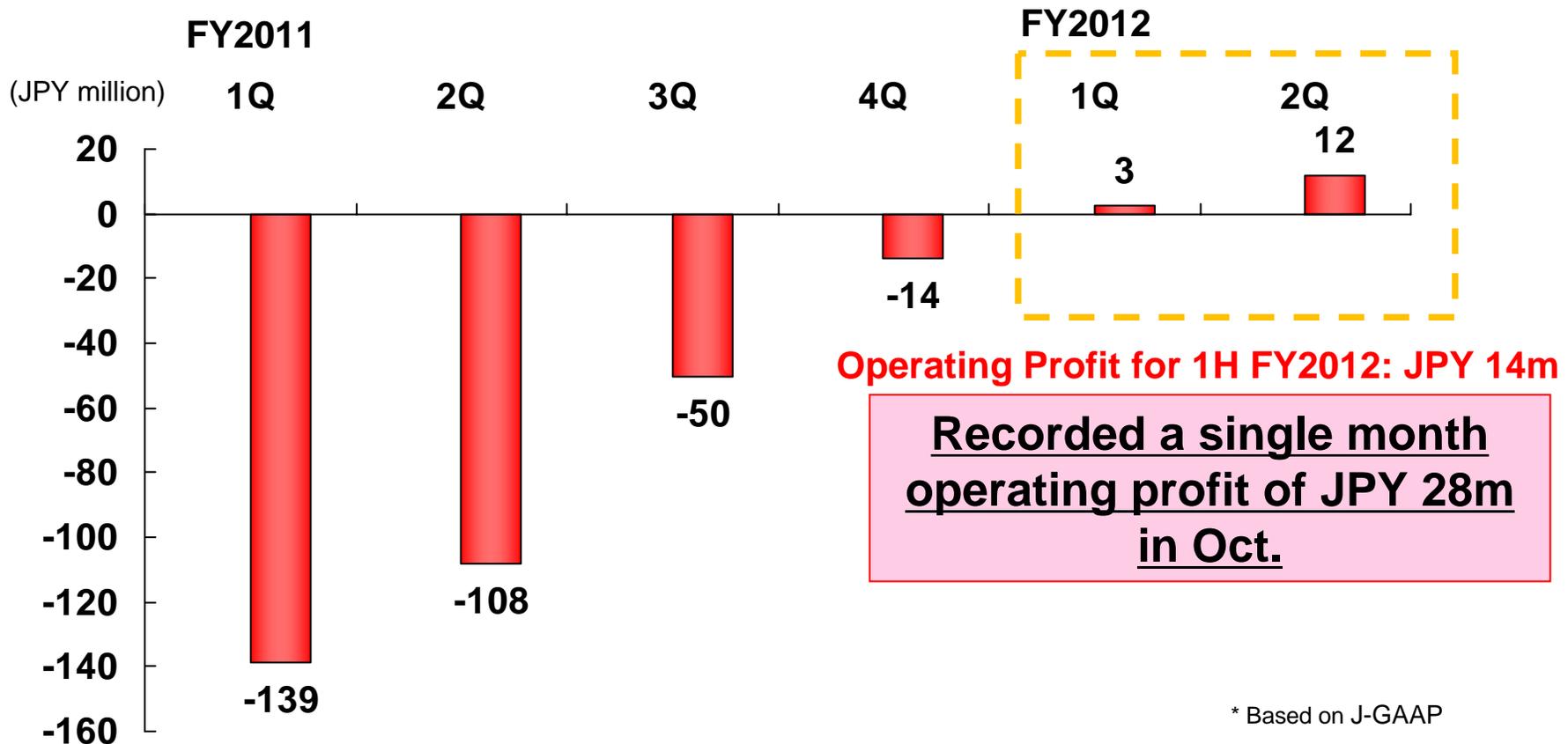
One foreign company is planning to connect in Dec.

Two Japanese companies are expected to participate.

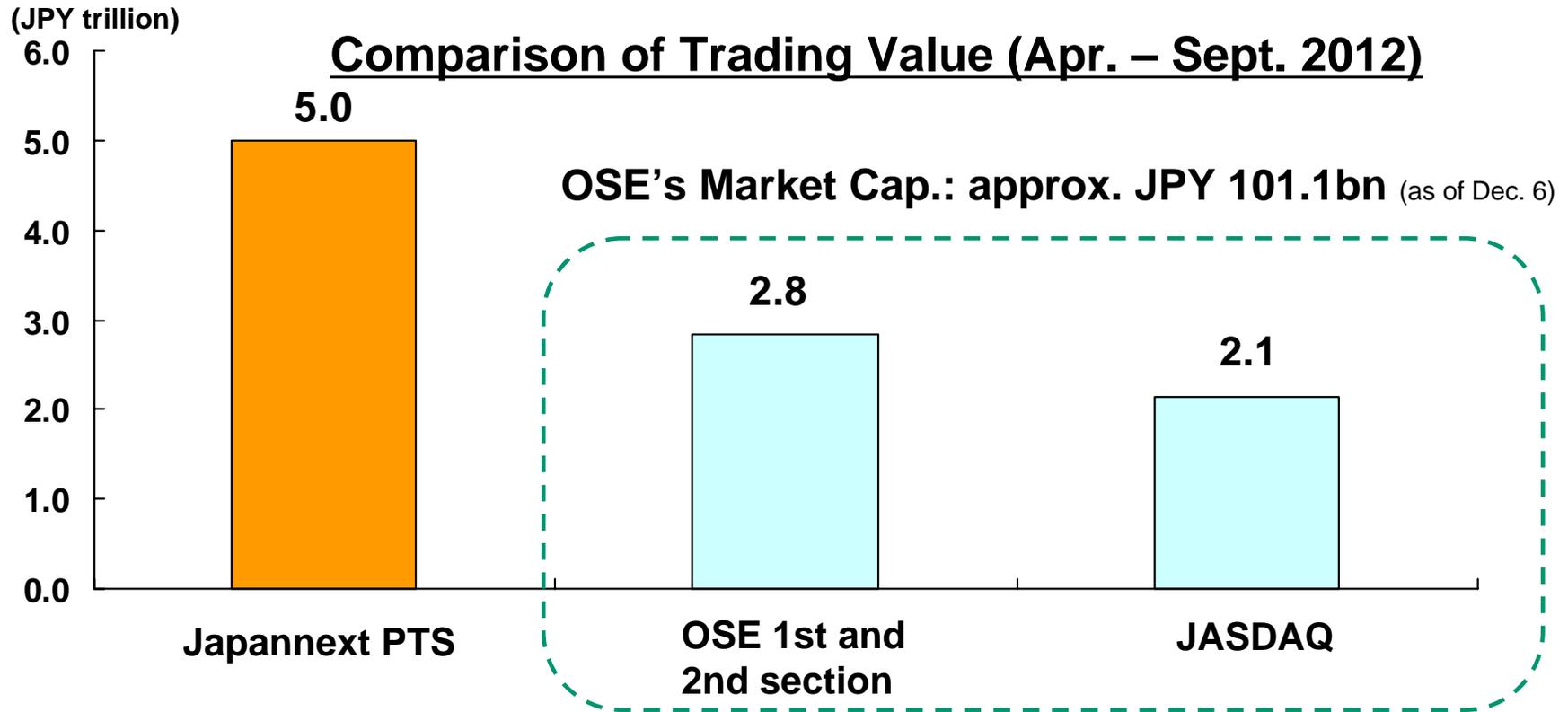
Change in SBI Japannext's Financial Result (Consolidated in Sept. 2012)

Trading value steadily increased and profitability was achieved for both 1Q and 2Q FY2012

Quarterly Change in Operating Profit/Loss



Japannext PTS Greatly Exceeded the Combined Trading Value of the OSE 1st and 2nd Sections, to Become the Second Largest Market in Japan, Next to the TSE



- The average daily trading value versus the TSE 1st section (cum. Apr.-Sept. 2012): 4.0%
- **Currently considering the establishment of a derivatives trading market, through the establishment of a joint venture company**

iii. SBI FXTRADE's Trading Volume Increased, Resulting in a One Month Profit in Terms of Operating Balance in October

(Launched on May 30, 2012)

**~As FX trading volume continues to increase, November profits are
expected to surpass that of October~**

Increasing FX Trading volume at SBI Liquidity Market by acquiring new customers who enjoy trading in smaller lots and higher frequency

Newspaper article

Oct. 24, 2012 "The Nikkei" newspaper evening edition

"SBI FXTRADE's ultra-low spread strategy is formulated 'with the expectation of the SBI Group to capture customers who are in their late 20s and 30s, who desire higher-level FX transactions in smaller lots and higher frequency.'"

"By offering lower spreads (i.e. the difference between bid and offer prices; these are virtual transaction fees for FX traders) and smaller trading lots, services comparable to FX specialists are provided for."

Oct. 31, 2012 "The Nikkei" newspaper morning edition

Newspaper article

Awarded 1st Prize in "Oricon Customer Satisfaction Ranking for 2013" of "Beginner Category for FX Transactions", owing to the high praise received for offering customers an improvement in convenience and an enhancement in services.

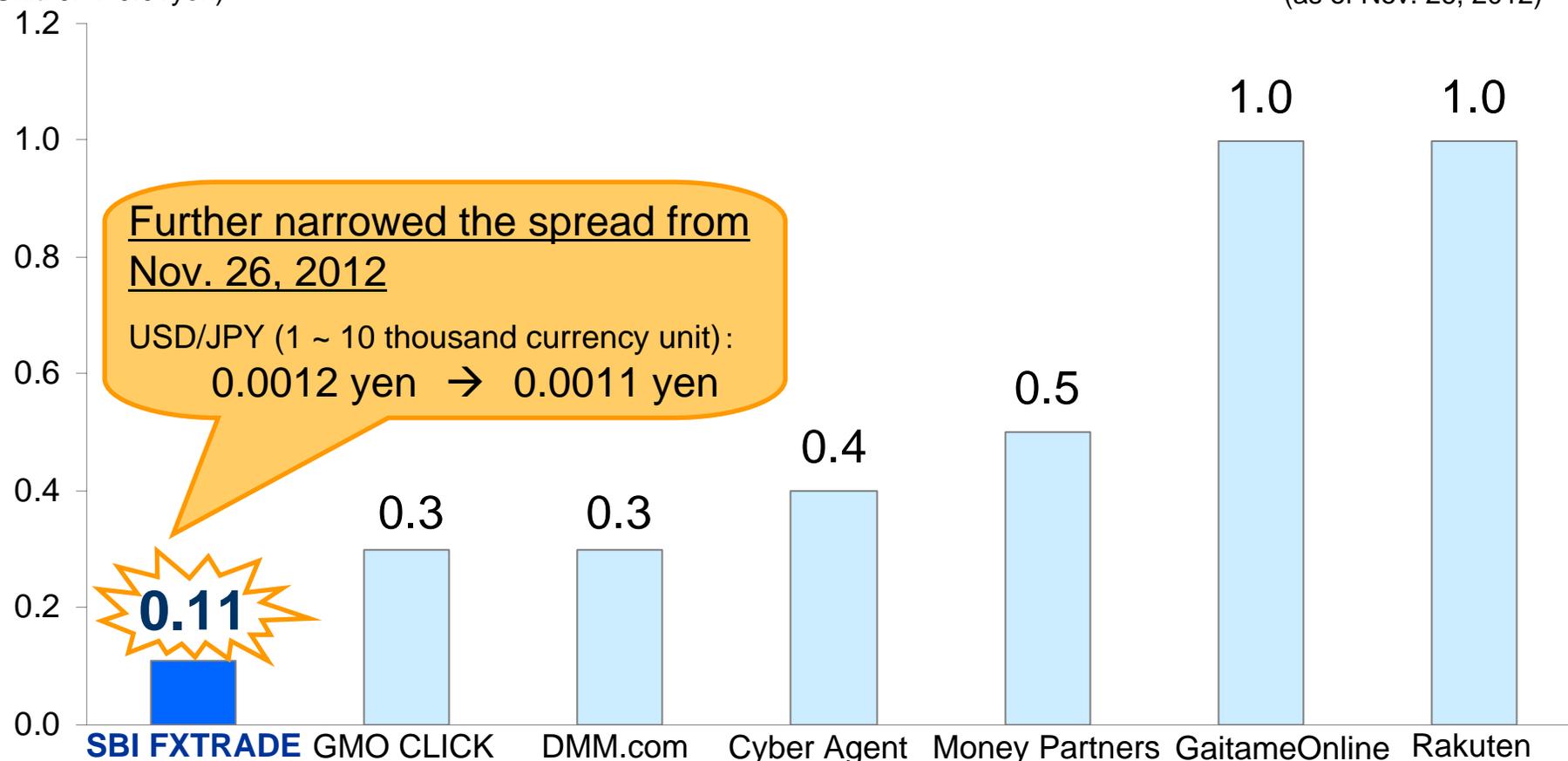
Provides the Industry's Narrowest Spread on Major Currency Pairs

From November, FX transactions that provide the industry's narrowest spreads on all major currency pairs have been sequentially offered for orders of up to 500,000 currency units

(e.g.) Comparison of the spread for USD/JPY pair with major FX companies (under 10 thousand currency unit)

(Unit: JPY 0.01yen)

(as of Nov. 26, 2012)



* Spread of SBI FXTRADE differs depending on order lot. (When loss-cut is executed, the narrowing spread will be applied.)

* Spreads are basically fixed, but there are some cases that actual spread differs from indicated ones due to market's sudden change and other external factors.

SBI FXTRADE Reached Profitability in October

on a Single Month Basis (Launched on May 30, 2012)

Provides an overwhelming advantage in trading terms for customer traders trading in smaller lots and high frequency, by significantly narrowing the spread

SBI FXTRADE's ranking in terms of trading volume among 52 Over-the-counter FX companies

Advances rapidly from No. 27 (Aug.) → No. 19 (Sept.) → No. 15 (Oct.)

(1= Total trading volume during Aug. 27-31)

[SBI FXTRADE – Trading volume]

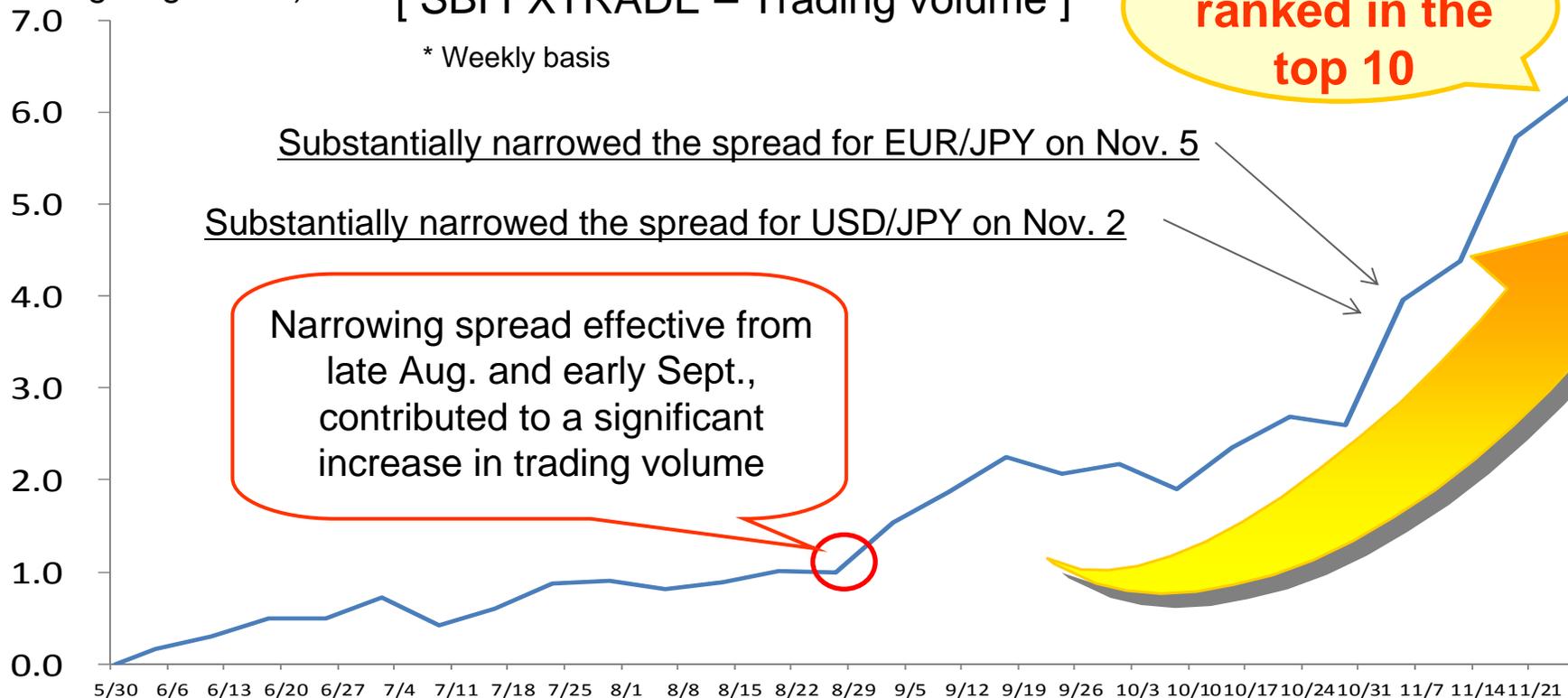
* Weekly basis

Soon be ranked in the top 10

Substantially narrowed the spread for EUR/JPY on Nov. 5

Substantially narrowed the spread for USD/JPY on Nov. 2

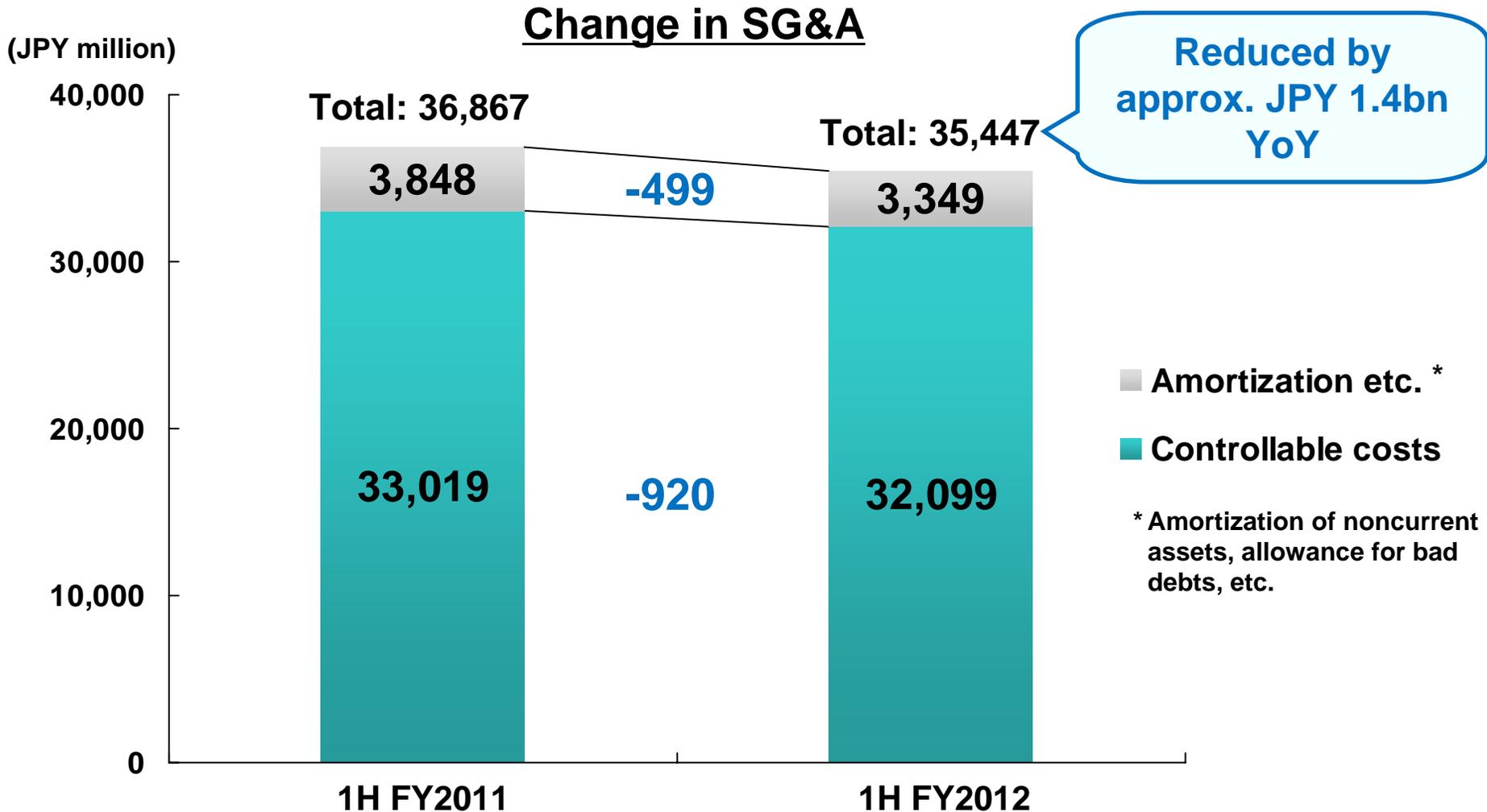
Narrowing spread effective from late Aug. and early Sept., contributed to a significant increase in trading volume



* Calculating on the basis of total trading volume during Aug. 27 to 31 as 1

(2) Thorough Head Office Cost Reduction ①

The reduction of SG&A expenses has been steadily progressing, with a reduction of approximately JPY 1.4bn YoY for 1H FY2012

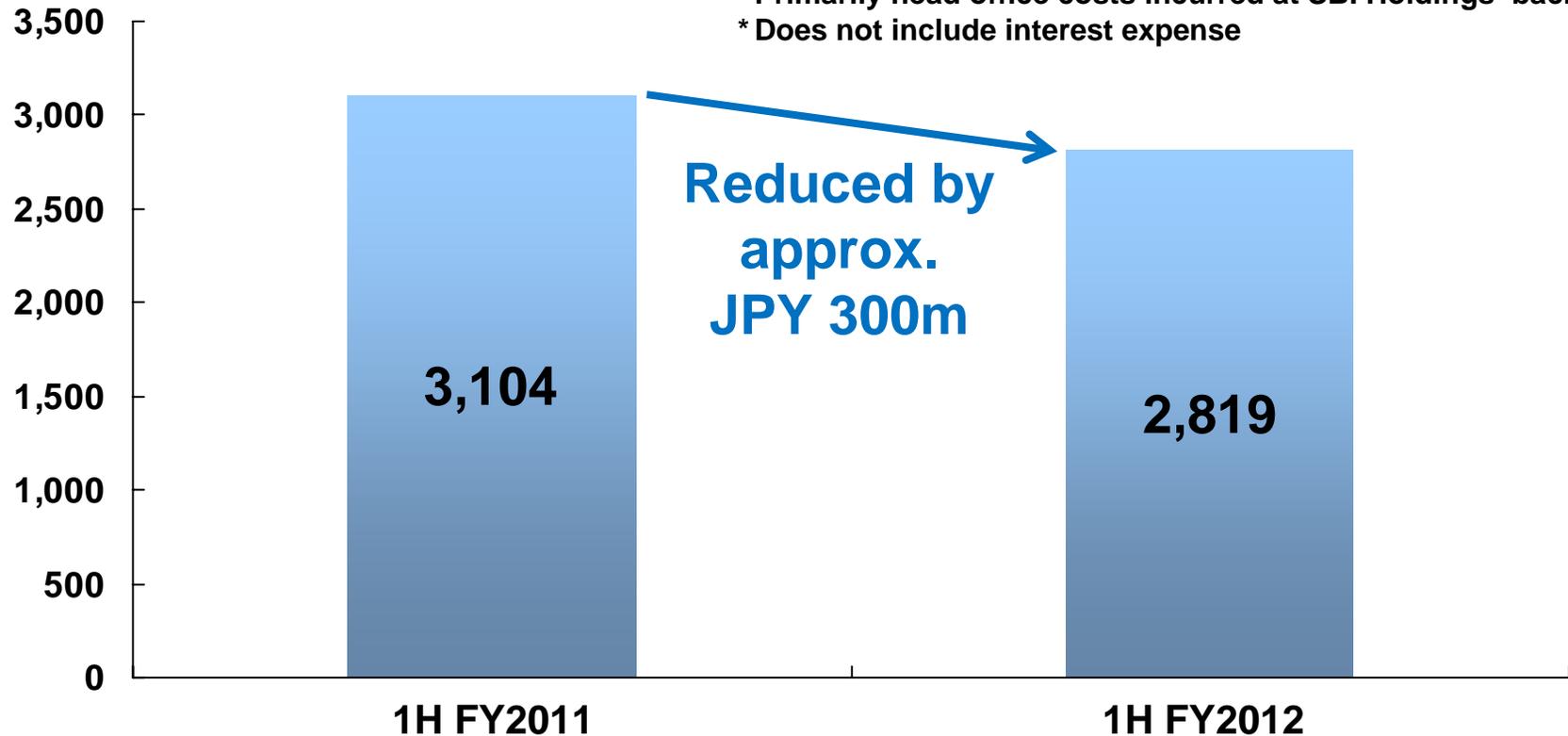


(2) Thorough Head Office Cost Reduction ②

Change in Corporate Expenses* (Operating Expense)

(JPY million)

* Primarily head office costs incurred at SBI Holdings' back office
* Does not include interest expense



Striving to further reduce costs by establishing the “Corporate Cost Reduction Committee” in an effort to strictly reduce corporate costs

3. Why is the Biotechnology-related Business is placed as one of the major businesses?

The Origin of SBI Group

~The SBI Group's Five Corporate Mission Statements~

Sound Ethical Values

We shall undertake judgments on actions based not only on whether they conform to the law or profit the company, but also whether they are socially equitable.

Financial Innovator

We will transcend traditional methods and bring financial innovations to the forefront of the financial industry, utilizing opportunities provided by the powerful price-cutting forces of the Internet and developing financial services that further enhance benefits for customers.

New Industry Creator

We will work to become the leader in creating and cultivating the core industries of the 21st century.

Self Evolution

We will continue to be a company that evolves of its own volition by forming an organization that flexibly adapts to changes in the operating environment and incorporates corporate "Ingenuity" and "Self-transformation" as part of its organizational DNA.

Social Responsibility

We will ensure that each company in the SBI Group recognizes its social responsibilities as a member of society, while fulfilling the demands of its stakeholders, contributing to the betterment of society.

Initiatives as a “New Industry Creator” ①

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

The cumulative number of companies SBI Investment invested in:675, Exit rate:18.5%
(at the end of Sept. 2012)

(i) Internet

Investing a total of over JPY 292.5bn, and in 452 companies through IT-related VC funds

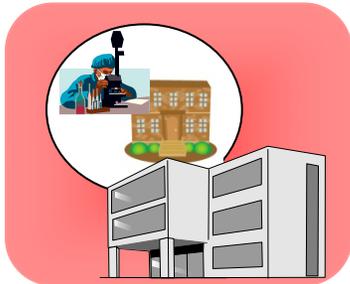
 The SBI Group itself has founded IT-related companies, primarily Internet financial companies

SBI Group's venture capital funds	Establishment	Initial investment (JPY billion)
Softven No.2	Nov. 1995	5.5
SOFTBANK Ventures	Aug. 1996	18.7
SOFTBANK INTERNET FUND	July 1999	12.3
SOFTBANK INTERNET TECHNOLOGY FUND No.1	Mar. 2000	15.8
SOFTBANK INTERNET TECHNOLOGY FUND No.2	Apr. 2000	115.2
SOFTBANK INTERNET TECHNOLOGY FUND No.3	July 2000	19.5
SBI-BC	Sept. 2004	20.8
SBI Broadband Fund No.1	Oct. 2004	32.7
SBI BB Media Fund	May. 2005	20.0
SBI BB Mobile Fund	Mar. 2006	32.0
SBI NEO Technology (IT·Biotechnology·Environment) *	July 2008	10.5
SBI Advanced Technology No.1 (IT·Biotechnology·Environment)	Dec. 2010	3.5

Initiatives as a “New Industry Creator” ②

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

(ii) Biotechnology and Life Science



Investing a total of over JPY 25.7bn*, in 58 companies through Biotechnology and Life Science-related VC funds



Concurrently, the SBI Group itself has entered into the Biotechnology business through its subsidiaries, SBI Biotech, SBI Pharmaceuticals and SBI ALApromo

(iii) Environment-related Technology and Alternative Energy



Establishing Energy & Environment Investment, Inc. as a joint venture with Mizuho Securities, creating an investment fund targeting the environment and energy sectors.
Investing a total of over JPY 14.5bn*, in 28 companies

(*Commitment amount basis)

SBI's Biotechnology-related Business

(1) 5-ALA related Businesses

ALA=5-aminolevulinic acid (one type of amino acid)

5-ALA is an important element in the biosynthesis of chlorophyll, which is necessary for photosynthesis in plants, as well as in the biosynthesis of hemoglobin in the red blood cells of humans and animals. 5-ALA is essential for mitochondrial energy production inside cells.

A enzyme working to suppress oxidation

1.5 times more active in the mice experiment

(Tokyo Institute of Technology and SBI Pharmaceuticals' group:) The mice experiment succeeded to prove 'Cytochrome c oxidase' (COX)*, a enzyme that becomes weak with aging, is activated by taking 5-ALA.

Administration of 5-ALA made COX functions 1.5 times more effective than normal.

This finding will attract attentions as a achievement that will lead to anti-aging studies.

Newspaper article

* Cytochrome c oxidase: the last enzyme in the respiratory electron transport chain of mitochondria

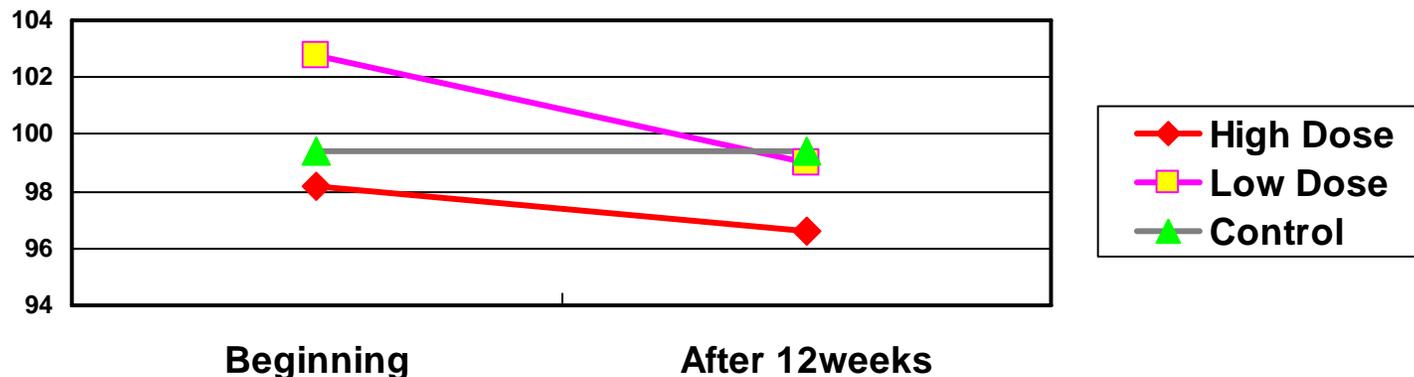
Publication of the Results of Clinical Studies on the Relationship between 5-ALA and Glucose Levels (University of Hawaii)

The University of Hawaii, Manoa Group, has recently published the results of clinical studies on the relationship between 5-ALA and glucose levels of subjects with prediabetes (people who are not diabetic now but are at a risk of developing diabetes in the future) in the electronic edition of the U.S. science journal, *Clinical and Translational Science*.

<Summary of the report>

- A clear decrease in glucose levels was observed among 154 men and women who took 5-ALA after they underwent the oral glucose tolerance test (OGTT).
- A significant decrease in glucose levels was observed among those who took high level of 5-ALA.

5-ALA and Glucose (adjusted for control)



*excerpt from the Presentation of Terry Shintani, Associate Chair, Dept. of Complementary and Alternative Medicine, John A. Burns School of Medicine (JABSOM), University of Hawaii

5-ALA Session Held at 7th World Congress on Prevention of Diabetes and Its Complications

<November 11-14, 2012 at Madrid, Spain>

University of Hawaii and also SBI Pharmaceuticals presented their research results



November 12, 2012 Session 1.1.1 SBI Pharmaceuticals

Title: Mitochondria and 5-Aminolevulinic acid(5-ALA) in type 2 diabetes

(Chair: Hiroshi Ito, Professor and Chairman, Division of Endocrinology, Metabolism and Nephrology, Department of Internal Medicine, Keio University School of Medicine)

- Endocrinological approach to improve mitochondrial dysfunction in diabet mellitus and “metabolic domino” (Hiroshi Ito, professor, same as above)
- The effect of aminolevulinic acid on aerobic metabolism in mitochondria (Shun-ichiro Ogura, Contract Associate Professor at Tokyo Institute of Technology)
- Use of the dietary supplement 5-aminolevulinic acid(5-ALA) and its relationship with glucose levels and hemoglobin a1c among individuals with pre-diabetes (Beatriz Rodriguez, doctor at John A. Burns School of Medicine (JABSOM), University of Hawaii)
- Suppression of both the fasting and postprandial plasma glucose levels by 5-aminolevulinic acid (Tohru Tanaka, CTO at SBI Pharmaceuticals)
- Possibility of 5-aminolevulinic acid for nutritional supplement: suppression of visceral fat accumulation in rats (Aya Koda, Manager at SBI Pharmaceuticals)

“Mitochondria Activation” Draws Increasing Attention

Nov. 24, 2012 “The Nikkei” newspaper morning edition

Special feature on “Running”: The secret of mitochondria

Newspaper article

“Over the last few years, mitochondria have gained prominent attention among runners.”

“The number of mitochondria changes within a short period of time depending on the supply and demand dynamism. It increases in response to the physical activities of an individual. More energy is produced as the number of mitochondria increases. This means, in theory, that the higher the number of mitochondria, the less likely muscles are to fatigue.”

“Professor Yutaka Kano, Faculty of Informatics and Engineering at the University of Electro-Communications (Chofu, Tokyo), says ‘the ability to increase the number of mitochondria in skeletal muscles is the key to running a marathon comfortably.’”

“In recent years, researchers throughout the world have released the results of their experiments, indicating that ‘it is not necessary to run a long distance to boost performance in endurance running.’ The function of mitochondria is believed to have contributed to this finding.”

Network with Alliance Partners in Several Topics of Researches

~Several studies with 5-ALA are in progress at over 85 universities and hospitals across Japan~

Topics of Research	Alliance Partner (examples)	Research Progress
Malaria	<ul style="list-style-type: none"> ➤ University of Tokyo ➤ Tokyo Institute of Technology ➤ National Institute for Medical Research 	<p>Antiproliferative effect for the falciparum malaria parasite presented at The 71st Annual Meeting of Eastern Branch of Japanese Society of Parasitology. (Oct. 2011)</p> <p>➔ Basic research is underway on the relationship between the metabolism of hemes, for which 5-ALA serve as the raw material for biosynthesis, and the growth of the malaria parasite.</p>
Metabolic syndrome	<ul style="list-style-type: none"> ➤ Kyoto Prefectural University ➤ Hiroshima University ➤ University of Hawaii 	<p>Based on the oral study in rats, suppression of accumulation of body fat discovered and presented at The 65th Annual Meeting of the Japanese Society of Nutrition and Food Science. (May 2011)</p> <p>➔ Tests are conducted continually on the improvement of fat metabolism.</p> <p>Favorable results have been obtained regarding the improvement of sugar metabolism and fat metabolism.</p>

Joint researches are underway with Japanese and overseas universities on other several themes

Favorable Sales of 5-ALA Related Products

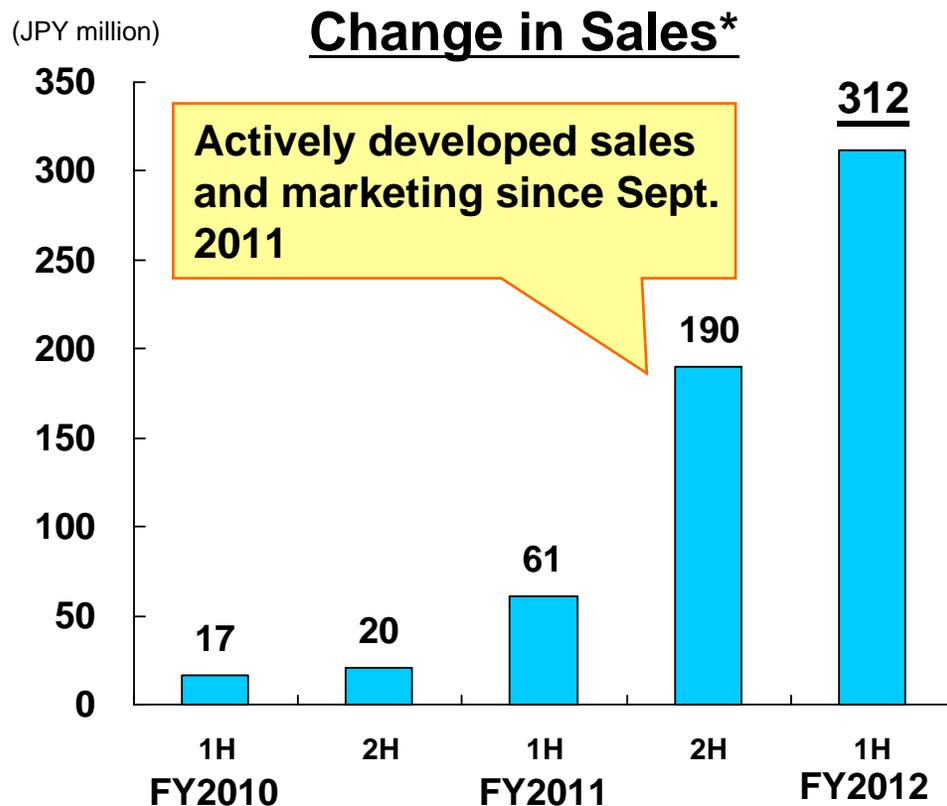
(5-Aminolevulinic acid phosphate)

[Food Supplements]

NatuALA-Bio (sales from Feb. 2010), NatuALA-BCAA (sales from Mar. 2011)

[Beauty Goods]

ALApplus Essential Lotion and ALApplus Moisturizing Cream (sales from Sept. 2011) etc.



With the organizational change and the establishment of the new SBI ALApromo in April 2012, focused sales expansion of health foods and cosmetics

The number of stores selling the goods

As the end of Mar. 2012

As the end of Sept. 2012

52 stores



162 stores

B&D's Drug Store (based in Aichi Prefecture):45 stores / Dispensary Medical Ikkou (listed on JQS):23 stores / TOKYU HANDS / Odakyu Department Store, and so on

*The figures for FY2010 and FY2011 are sales of the former SBI ALApromo (currently SBI Pharmaceuticals). The figure for 1H FY2012 is sales of the new SBI ALApromo (J-GAAP)

The R&D into 5-ALA as a Drug Continues

(5-Aminolevulinic acid phosphate)

~R&D Progress in Diagnostic agent for Cancer Treatment~

Indications	Progress
Brain tumor	<p>Orphan drug designation (Sept. 2010)</p> <p>➔ Submission of a new drug application (NDA) to the Ministry of Health, Labor and Welfare in Japan (July 5, 2012)</p> <p>➔ If all goes as planned, it will be approved as a treatment within FY2012</p>
Carcinoma vesicae	<p><u>Doctor sponsored investigation by 5 universities, headed by Kochi University was started (Phase 2-3 clinical testing is ongoing from Jan. 2012)</u></p> <p>➔ Clinical testing will be completed by the end of 2012</p> <p>➔ Will endeavor to be approved by early 2014</p>

In other treatment of cancer, clinical tests and studies have been conducted at a number of universities, such as Saitama Medical University, Osaka Medical Center for Cancer and Cardiovascular Diseases, Kyoto Prefectural University, and Aichi Medical University. In addition to Brain tumor diagnostic agent, several studies on the potential applications for various cancers, such as the stomach, the colon and the thyroid, are progressing.

Submitted a Phase-1 CTA (Clinical Trial Application) to UK MHRA (Medicines and Healthcare products Regulatory Agency) for a Drug of 5- Aminolevulinic acid hydrochloride to Treat Cancer Chemotherapy- induced Anemia, and It Received on Nov. 1, 2012



Cancer chemotherapy-induced anemia: one of the side effects of cancer chemotherapy drugs, and 43.2%(*) of patients under treatment using such drugs are said to have symptoms of anemia



A definitive treatment for cancer chemotherapy-induced anemia has not been established, and there is a pressing need to develop a treatment

SBI Pharmaceuticals plans to start a clinical trial in the U.K. by the end of this year. The clinical trial will study the safety of the formulation in healthy subjects and lead to a more comprehensive follow-up clinical trial

German business partner in 5-ALA related business, medac GmbH, is approved by the European Medicines Evaluation Agency (EMA) to market intraoperative diagnostic agents in Germany, UK and 20-plus other European countries; underlining that 5-aminolevulinic acid hydrochloride is already recognized as a pharmaceutical ingredient in Europe.

→ We expect that the phase I clinical trials for treatment will progress smoothly. In the phase II clinical trials, we will discuss applying for permission to administer pharmaceuticals in multiple medical fields.

Bahrain's Interest in 5-ALA Heightens

Background ①

Bahrain government is promoting new industrial development and attraction of foreign farms because the prime industry of Bahrain is oil industry



Bahrain

Background ②

High diabetes prevalence in the MENA such as Bahrain

In the MENA:

(%)

Nation	Bahrain	Qatar	Kuwait	Saudi Arabia
Diabetes prevalence	15.4	15.4	14.6	16.8

In major advanced country:

Nation	U.S.	U.K.	German	Japan
Diabetes prevalence	10.3	3.6	8.9	5.0

(Source: Database published by International Diabetes Federation)

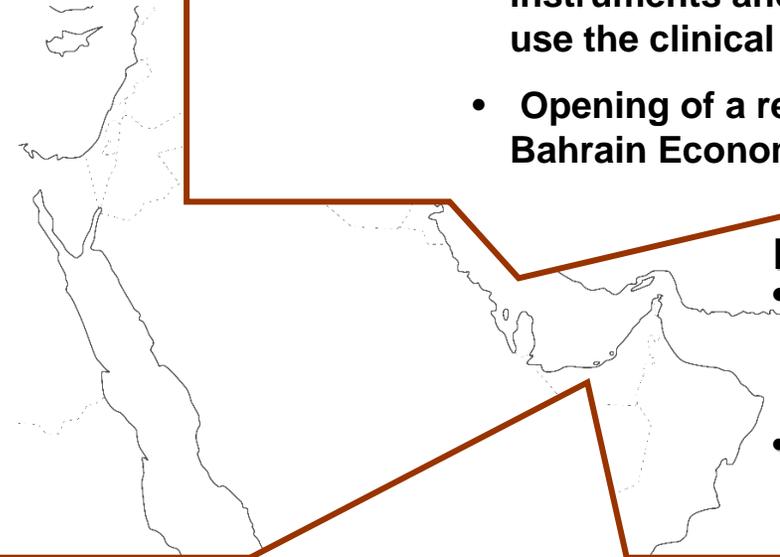
SBI Pharmaceuticals identified Bahrain as its drug research and development base in the Middle East and North Africa (MENA), and plans to build a 5-ALA manufacturing base, and expects to expand its business operations in the neighboring countries as well.

5-ALA Related Business Progress in the Middle East



Bahrain

- Agreement for the Promotion of the 5-ALA Business with Bahrain government (Apr. 2012)
- Obtainment of the Product License of healthy supplement on “NatuALA ONE” from Ministry of Health Bahrain to market in the Bahrain (Apr. 2012)
- For the introduction of PDS (Photodynamic Surgery) for Cancer diagnosis with 5-ALA in Bahrain, preparing for the necessary clinical instruments and training the relevant government officials on how to use the clinical instruments (Sept. 2012)
- Opening of a representative office in Bahrain acquired a permit from Bahrain Economic Development Board (Oct. 2012)



From now

- 
- Starting with a joint clinical trial with Bahrain Defence Force Royal Medical Services Military Hospital, a Bahraini public hospital
 - Striving to construct facilities to produce pharmaceuticals containing ALA, in an effort to build a system that facilitates dissemination of these products.



The United Arab Emirates

- Obtainment of the Product License of healthy supplement on “NatuALA ONE” from the Dubai Municipality Consumer Product Safety Section to market in the United Arab Emirates (UAE) (Oct. 2012)

Establishment of Global Business Management for the Investments into 5-ALA Related Business Companies



China

Sept. 2012

Completion of the investment in Suzhou Yian Biotech Co., Ltd.

(SBI Group's shareholding ratio: 40%)

<Business>

- Manufacture of an active ingredient of 5-ALA
- Production of medicines, health foods and cosmetics that contain 5-ALA

Exclusive and worldwide sales rights

Establish a JV engaged in manufacturing and selling products in China during the current fiscal year

(SBI Group's shareholding ratio: 60%)

Expanding sales in China and overseas



German

Nov. 2012

Agreement on an investment in photonamic GmbH and Co. KG and execution of the agreement

(SBI Group's shareholding ratio: 20%)

<Business>

- Research, development and other handling of pharmaceuticals-related to 5-ALA

A 5-ALA related business company, which is a subsidiary of medac GmbH (German), which is SBI Group's business partner in 5-ALA related businesses



- **Planning to work with German partner to pursue the development of new pharmaceuticals, to expand the range of indications for intraoperative diagnostic agents in Europe for the future.**
- **Preparing for the expansion of the skin-related medical product (Alacare) in Japan, that photonamic GmbH sells in Europe.**

Accelerating Overseas Expansion of 5-ALA Related Businesses ①

Several projects in drug medicine field is in progress in the world



U.K

Submitting a phase-1 Clinical Trial Application to MHRA for a drug of 5-Aminolevulinic acid hydrochloride to treat cancer chemotherapy-induced anemia and scheduling on the beginning of a phase-1 clinical trial within this year



China

40% investment in Chinese bioventure Yian Biotech



German

20% investment in photonamic, a subsidiary of German drug company, medac GmbH



U.S

Study on 5-ALA in relation to diabetes is in progress in University of Hawaii



Bahrain

Starting with a joint clinical trial with Bahrain Defence Force Royal Medical Services Military Hospital, a Bahraini public hospital <Plan>

Accelerating Overseas Expansion of 5-ALA Related Businesses ②

Steady progress in obtaining business licenses from local authorities and other preparations, with a view to developing overseas health food markets.



China

Preparing for an establishment of JV company for selling goods containing 5-ALA



Bahrain

- Obtainment of the Product License of healthy supplement on 'NatuALA ONE' from Ministry of Health Bahrain to market in the Bahrain.
- Establishing a sales structure



Korea

Beginning discussions with a local large pharmaceutical company to expand 5-ALA businesses shortly



Malaysia

Beginning discussions with a local large pharmaceutical company to expand 5-ALA businesses shortly



UAE

- Obtainment of the Product License of healthy supplement on "NatuALA ONE" from the Dubai Municipality Consumer Product Safety Section to market in UAE
- Establishing a sales structure



Philippine

- Health food, 'NatuALA ONE' was nationally licensed by Food and Drug Administration (FDA) Philippines.
- Scheduling on the launch in the Philippines, collaborating with local firms having a network of doctors

NatuALA-Bio and NatuALA-BCAA, health foods won Gold Award in the Food Supplements Category at Monde Selection 2012

SBI's Biotechnology-related Business (2)

Quark Pharmaceuticals

Quark Pharmaceuticals, a bio-venture company in the U.S., was consolidated into the SBI Group (Announced in Nov. 15)

Major pipeline at Quark:

[1) PF-655]

- Diabetic macular edema (DME)
- Wet age-related macular degeneration (wet AMD)



* Partner drug company: Pfizer Inc
 * Potential contingency fee (total) USD 0.65bn

[2) QPI-1002]

- Kidney Transplantation (DGF)
- Acute Kidney Injury (AKI)



*FDA and European Commission grants Orphan Drug Status for QPI-1002
 *Partner drug company: Novartis Pharmaceuticals Corp.
 *Potential contingency fee (total) USD 0.70bn

[3) QPI-1007]

- Non-arteritic Anterior Ischemic Optic Neuropathy (NAION)
- Glaucoma



Quark's pipeline will greatly contribute to the SBI Group's Biotechnology-related Business in the mid- to longer-term

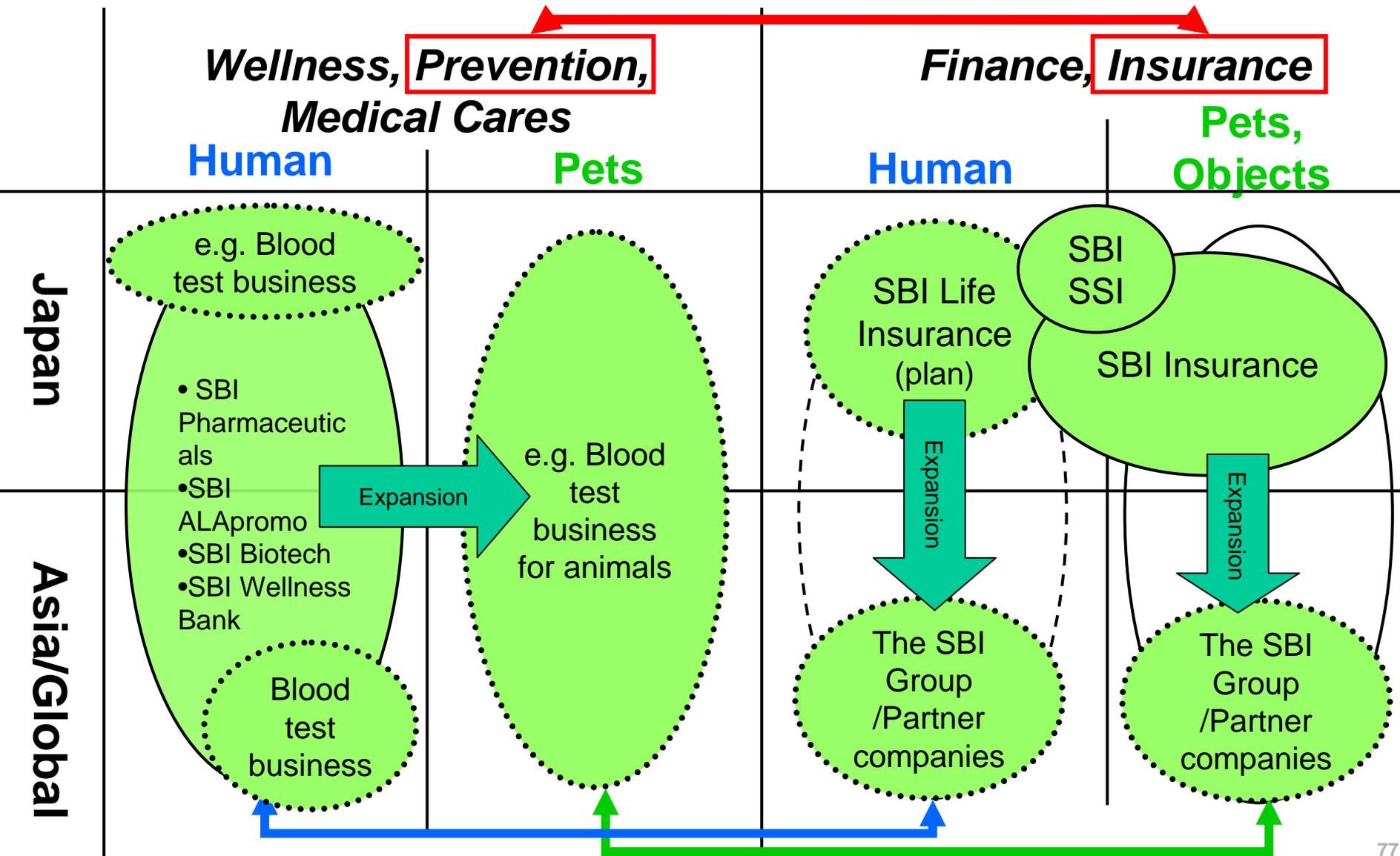
SBI's Biotechnology-related Business (3) Other Biotechnology-related Companies

Drug Development Progress at Each Company

	Drug or project code (partners)	Adaptation disease	Current status
SBI Biotech (Shares: 72.3%) Target Exit Year: in 2014	GNKG168 (CN Huapu)	B cell chronic lymphocytic leukemia	P1 Clinical Trial
	GNKS356 (CN Huapu)	B cell chronic lymphocytic leukemia	Pre-Clinical Trial
	Immuno-cell therapy (US Baylor Research Institute)	Cancers	US: P2 Clinical Trial JPN: Pre-Clinical Trial
	Anti-BST2 antibody	Cancers, autoimmune diseases	In negotiations with pharmaceutical companies
	Cell Cycle Control - Cdc7/ASK	Cancers	The lead compound discovered in a collaboration with a Japanese bio-venture company is in a pre-clinical testing stage
USA Acucela (Shares: 16.9%) Target Exit Year: in 2013	ACU-4429 (Otsuka Pharmaceutical)	Dry Advanced Macular Degeneration (AMD)	P2a Clinical Trial
	Rebamipide (Otsuka Pharmaceutical)	Dry Eye Syndrome	P3 Clinical Trial
	OPA-6566 (Otsuka Pharmaceutical)	Glaucoma	P1/2 Clinical Trial
USA Kadmon (Shares: 16.0%) Target Exit Year: in 2013	KD025 Rho-associated coiled-coiled kinase 2	Liver Ailment	P1 Clinical Trial
	KD032 Ras antagonist	Cancers	P2 Clinical Trial
	The company holds several pipelines including three 'P2' s other than the above		

* SBI's shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group.

Thoroughly Pursuing Synergies Between the Biotechnology-related Business and the Insurance Business, with the Potential of Developing a Global Business



4. The SBI Group's mid- and long-term management strategy

- (1) The Internet Financial Services Business that Continually Benefits from the Evolution and Enhancement of the Internet**
- (2) The Development of Businesses with Little Correlation to the Vagaries of the Stock Market**
- (3) The Establishment of a Global Business Management System that Realizes the "World's SBI"**

(1) The Internet Financial Services Business that Continually Benefits from the Evolution and Enhancement of the Internet

Through the evolution of the Internet, along with the enhancement of speed, network ubiquity and the furtherance of various Web-expressions, Internet utilization continues to evolve in fields that were previously not served.

Continuous Growth in Number of Accounts at Online Securities Companies

Change in Number of Accounts at Online Securities Companies

(Oct.1999 – Mar. 2012)

(): Proportion of SBI SECURITIES

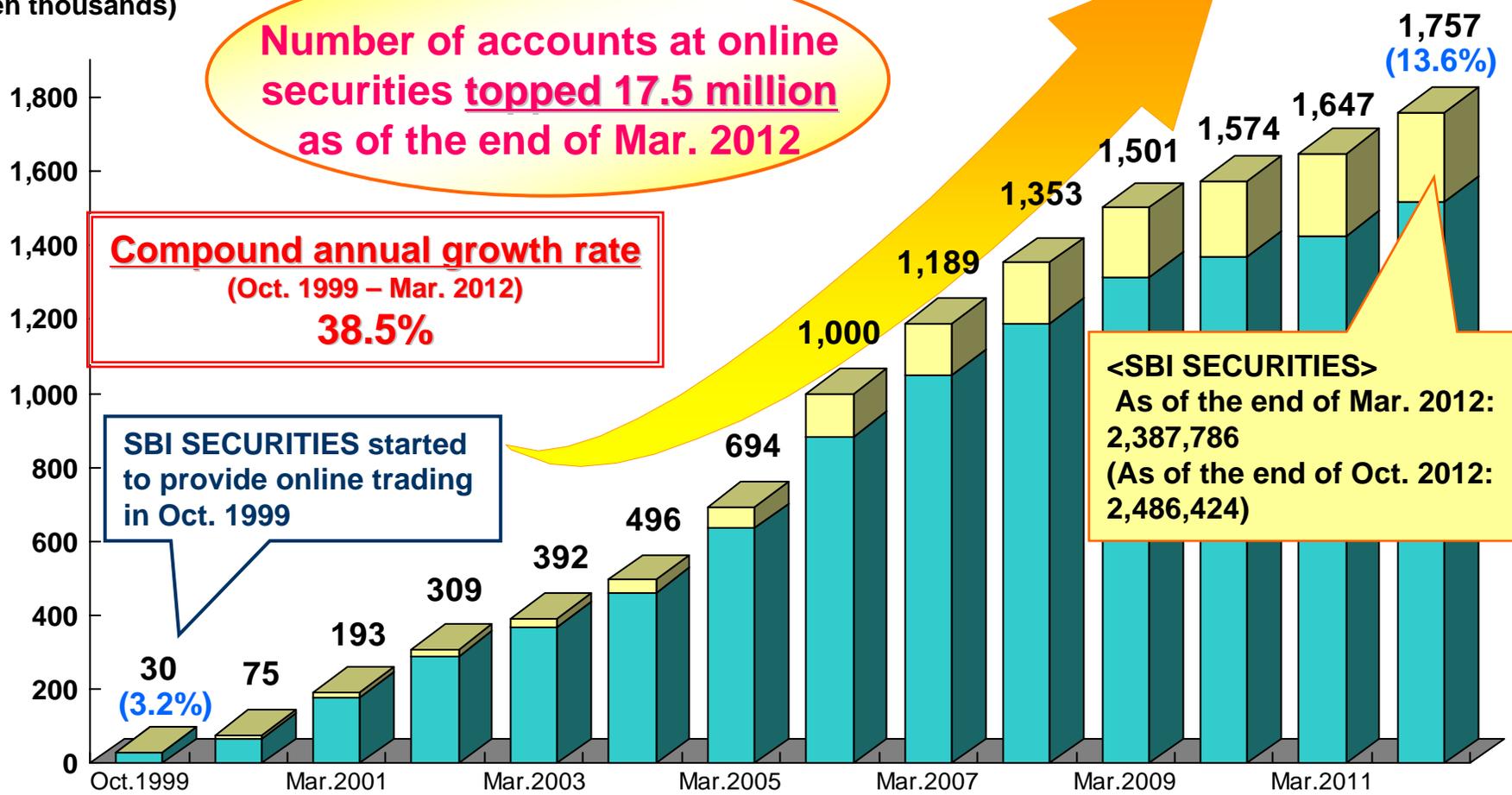
(ten thousands)

Number of accounts at online securities topped 17.5 million as of the end of Mar. 2012

Compound annual growth rate (Oct. 1999 – Mar. 2012) 38.5%

SBI SECURITIES started to provide online trading in Oct. 1999

<SBI SECURITIES>
 As of the end of Mar. 2012: 2,387,786
 (As of the end of Oct. 2012: 2,486,424)



Source: Japan Securities dealers association, "Survey of Online Trading" (Mar. 2011), records began in Oct.1999

Solid Customer Base of SBI SECURITIES ①

< Number of Accounts and Amount of Customer Asset >



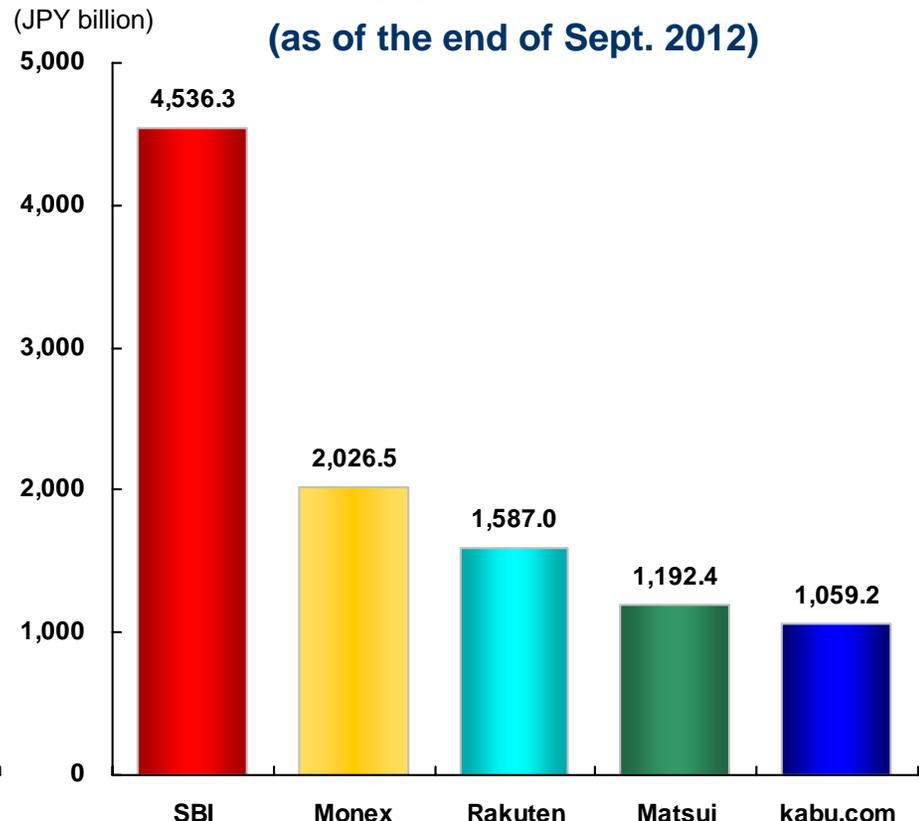
SBI SECURITIES far exceeds its competitors in terms of the number of accounts and deposit assets

**Customer Accounts
of 5 Online Brokers**



“Oricon customer satisfaction ranking” in 2012 – Online securities company **Earned 1st prize for 7 years in a row**

**Customers’ Deposit Assets
of 5 Online Brokers**



* The figure of Rakuten is as of the end of May 2012. The figure at the end of Sept. is undisclosed.

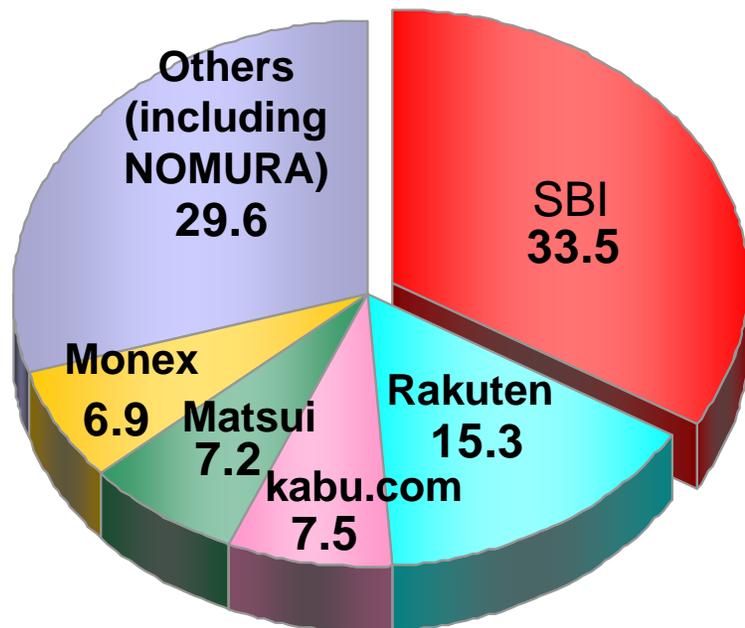
Sources: Compiled by SBIH from information on websites of each company

Solid Customer Base of SBI SECURITIES ②

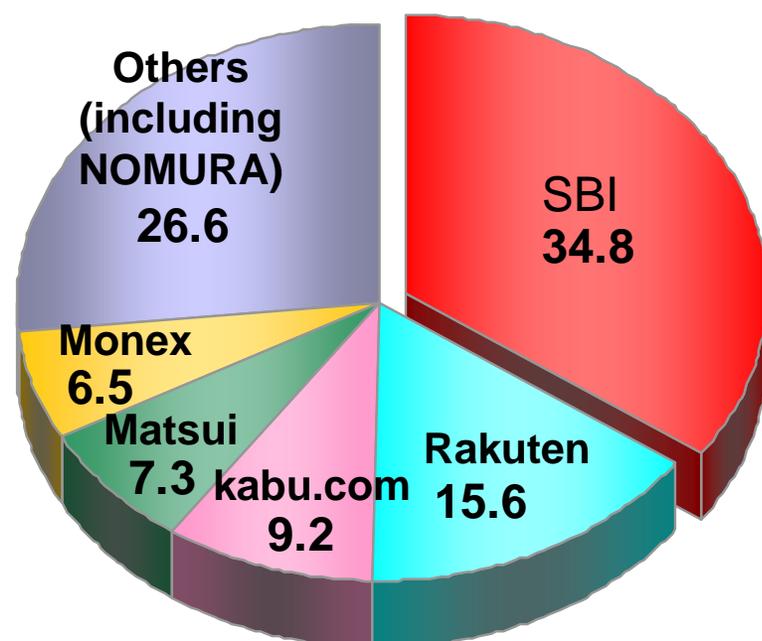
< Individual Brokerage Trading Value >

In terms of individual trading value, the total share of the five major online securities companies was approximately 70%, with SBI SECURITIES alone accounting for approximately 35%

Share of Individual Stock Trading Value (%)
1H FY2012
(Apr. 2012 – Sept. 2012)



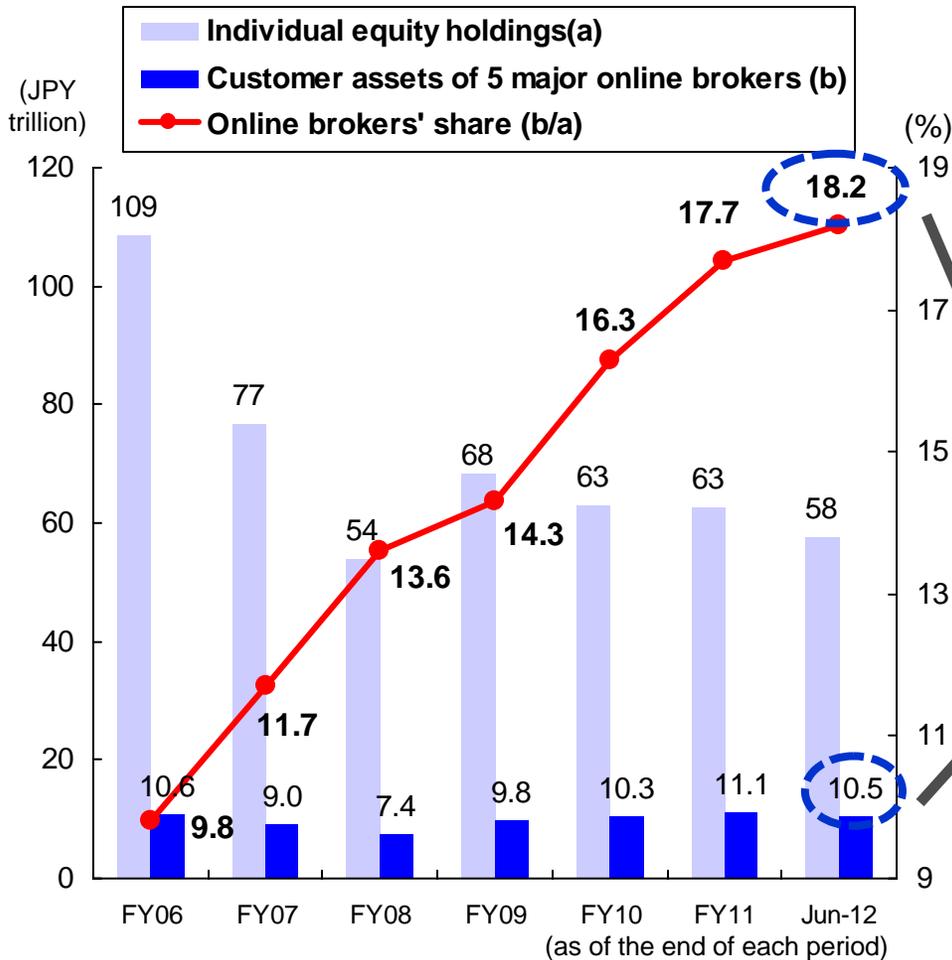
(of which) Share of Individual Margin Trading Value (%)
1H FY2012
(Apr. 2012 – Sept. 2012)



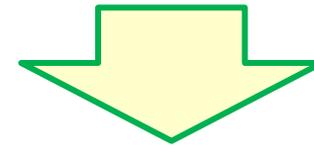
Source: Compiled by SBI SECURITIES based on Tokyo Stock Exchange and JASDAQ materials and websites of each company
* Individual stock trading value and individual margin trading value are the sum of 1st and 2nd section of the Tokyo, Nagoya and Osaka Stock Exchange, respectively.

The Five Major Online Securities Companies' Market Share of Individual Equity Holdings in Terms of Deposit Assets

Change in the share of individual equity holdings (stock)



Online securities companies handle an overwhelming share of the flow of stock trades, which stands at over 70%



Assets of customer accounts of the five major online securities companies totaled JPY 10.5 trillion, as of the end of June 2012, but this represents a mere 18.2% of the total shares held by individuals in Japan

There is much more market share that the online securities companies may gain, in terms of deposit assets

SBI SECURITIES' Ranking in the Securities Industry(1H FY2012)

Ranking by Net Operating Revenue

(JPY billion)

1	Nomura	770.9
2	Daiwa	175.4
3	Mitsubishi UFJ	129.1
4	SMBC Nikko	108.5
5	Mizuho	106.7
6	Okasan	28.9
7	Tokai Tokyo	25.4
8	SMBC Friend	24.1
9	Mizuho Investors	23.8
10	SBI	16.8
11	Monex	14.2
12	Rakuten	8.9
13	Matsui	7.4
14	kabu.com	4.5

Ranking by Net Income

(JPY billion)

1	Mitsubishi UFJ	18.0
2	Daiwa	10.1
3	Mizuho	8.4
4	SMBC Nikko	6.7
5	Nomura	4.7
6	SMBC Friend	3.0
7	SBI	2.4
8	Matsui	1.8
9	Tokai Tokyo	1.7
10	Rakuten	1.1
11	Mizuho Investors	0.9
12	kabu.com	0.6
13	Monex	0.2
14	Okasan	-1.8

*1 Compiled from information disclosed by securities companies with over JPY 10bn in net operating revenue and five online brokers

*2 On a consolidated basis, except as to the companies with no consolidated subsidiary

*3 Figures of Nomura are based on the U.S. accounting standard, and Net Revenue is substituted for Net Operating Revenues (after deduction of financial expense)

The Internet Immersed Generation is Coming of Age

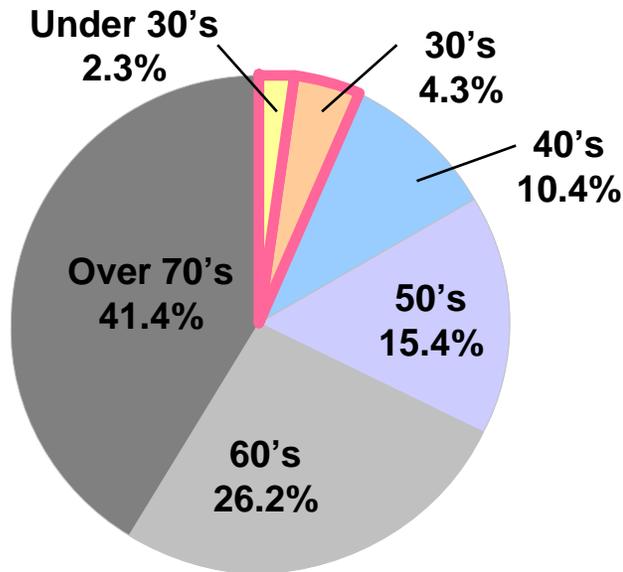
Start of commercial Internet in Japan: 1992



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

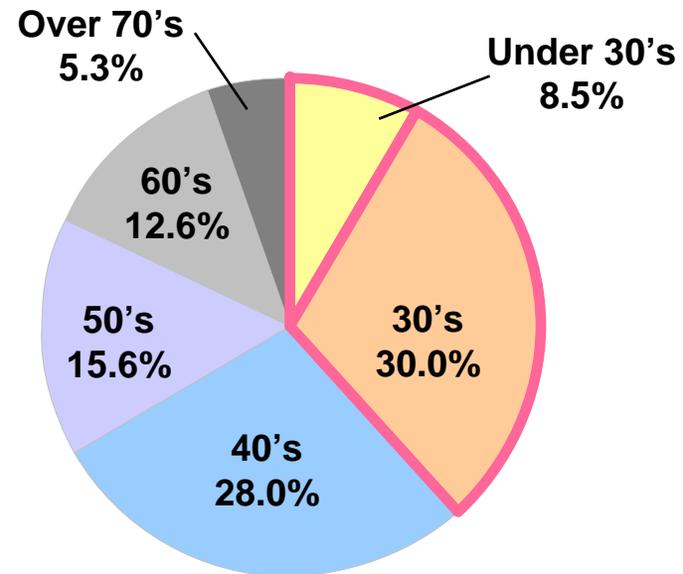
Breakdown of SBI SECURITIES' customers' age by channel (as of the end of Oct. 2012)

■ Face-to-face (SBI MONEY PLAZA)



The older generation as a percentage of customers of face-to-face channels is generally higher.

■ Online

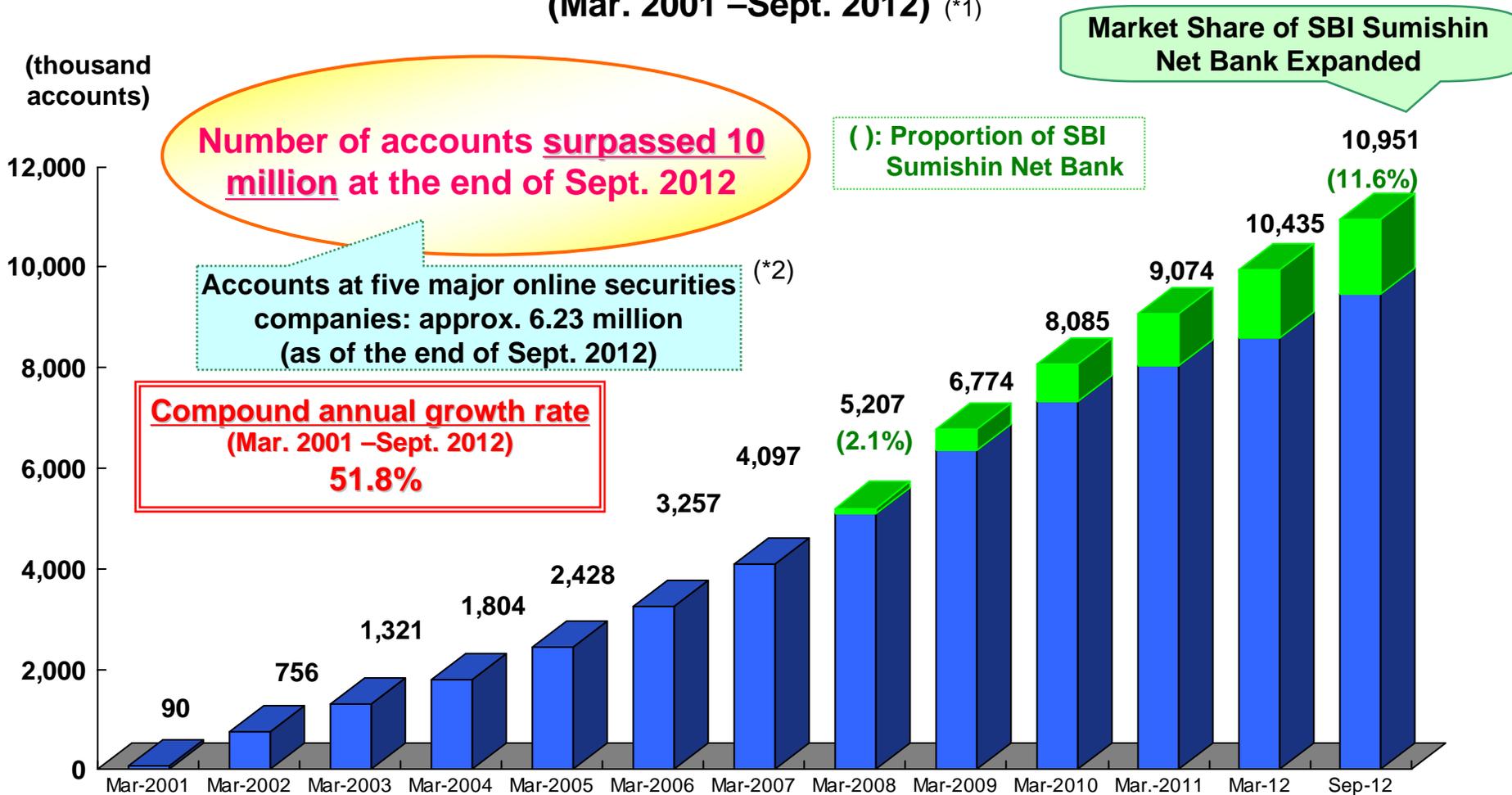


The percentage of the current 20's and 30's that will **carry out a full-scale asset building**, as time goes by, is high.

Growth of Pure-play Online Banks Outpaces that of Online Securities Companies

Change in Number of Customer Accounts at Five Pure-play Internet Banks in Japan

(Mar. 2001 –Sept. 2012) (*1)



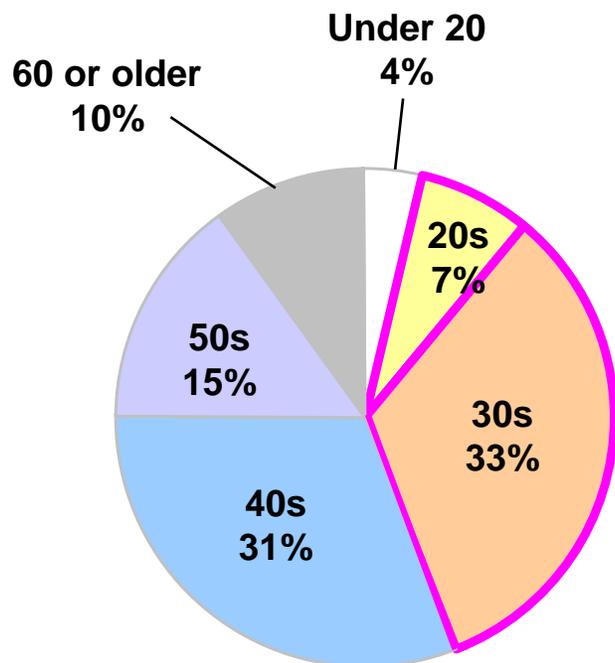
(*1) Compiled by SBIH from information disclosed by each company. Pure-play internet banks refer to SBI Sumishin Net Bank, Japan Net Bank, Sony Bank, Rakuten Bank, Jibun Bank and Daiwa Next Bank. Daiwa Next Bank began businesses from Apr.2011

(*2) Following five companies: SBI SECURITIES, Monex, Rakuten Securities, Matsui Securities and kabu.com Securities.

Prospect for Future Growth - Features of Customer Segment

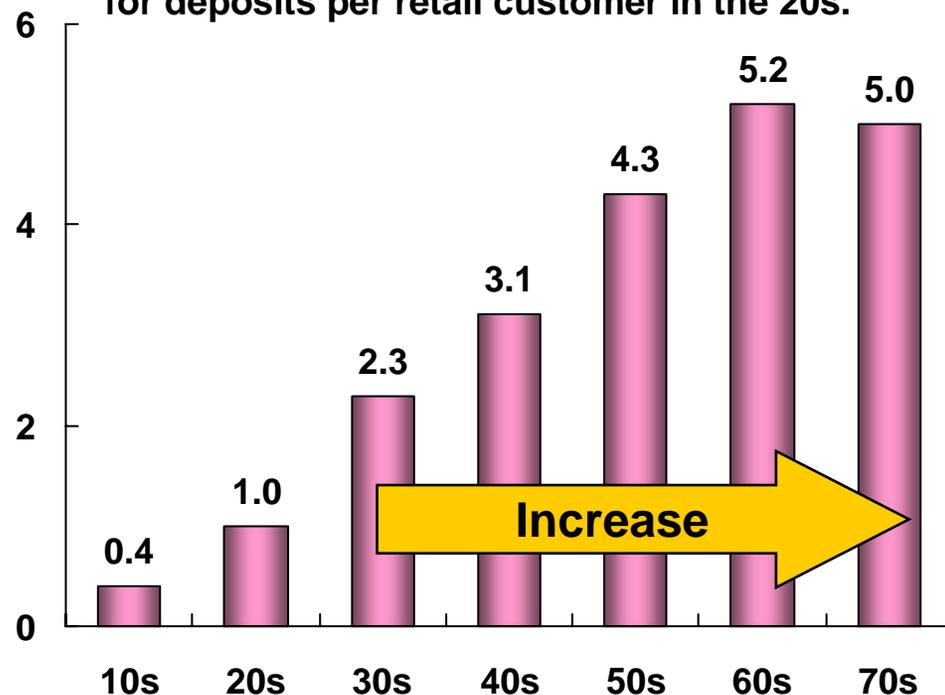
Customers of SBI Sumishin Net Bank

■ Retail Customer Age Brackets



■ Deposit Per Customer

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

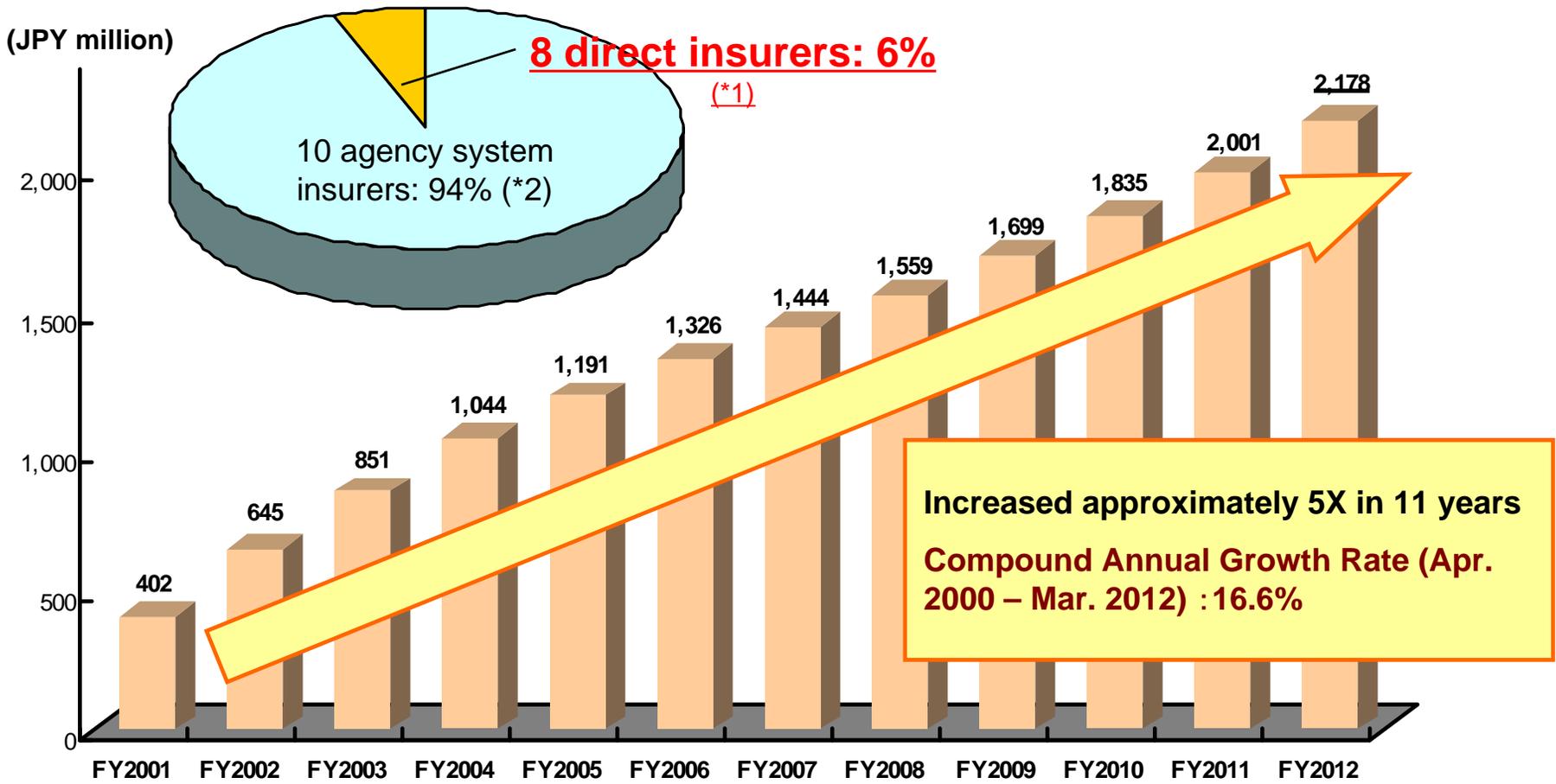


The assets of retail customers currently in their 20s and 30s will increase over time, along with **an increase in various financial transactions** for asset management purposes, a trend that will also be experienced at **SBI SECURITIES**

Direct Nonlife Insurance Sales Continue to Increase Steadily in Japan

Change in Direct Income of Insurance Premiums at 8 Direct Insurers

Market Share of Direct Income of Insurance Premiums in FY2012



(*1) 8 direct insurers: Sony Insurance, Mitsui Direct, Sonpo 24, E. design, Zurich, AXA, American Home, SBI Insurance
 (*2) 10 agency system insurers: Tokio Marine & Nichido Fire Insurance, Sompo Japan, MS&AD (Mitsui Sumitomo Insurance, Aioi Nissay Dowa Insurance) NIPPONKOA Insurance, Nisshin Fire & Marine Insurance, THE FUJI FIRE AND MARINE INSURANCE, Kyoei Fire & Marine Insurance, SECOM General Insurance, ASAHI FIRE & MARINE INSURANCE, Daido Fire Insurance. (Source) Compiled by SBIH from information disclosed by each company.

Enhancement of Internet Finance

Enhancement of industries

Gradually, more complicated financial products will be offered on the Internet

Online Securities

Oct. 1999

SBI SECURITIES started to provide online trading

Online Banking

Sept. 2007

SBI Sumishin Net Bank started its operations

Online Insurance

Jan. 2008

SBI Insurance started its operations

Online Life Insurance



Enhancement of each industry

Also in a specific industry, more transactions will move onto the Internet

(e.g.)

Online Banking:

Deposit

Money Transfer

Housing Loans

Investment trust
FX

(Asset management function)

Continuously Releasing Smartphone Applications

SBI SECURITIES



- Enables one-stop use covering order placement for account management
- Limit orders can be entered from the stock overview page
- The only major online securities application for iPhone compatible with PTS transactions



SBI Sumishin Net Bank



- For transactions such as balance inquiry and money transfer



- Enables order entry for foreign currency deposits, balance inquiry and so on

Released on Nov. 16, 2012!

Morningstar



- Equipped with a watch-list function for instantly checking registered stocks and funds of interest
- Allows searches of all publicly listed shares in Japan, ETFs, and investment trust information
- Permits viewing of news, columns, reports and video for all 12 categories



[Utilization of Big Data]

Promoting the Utilization of Big Data

The entire Group needs to address the utilization of Big Data, by setting up the “Big Data Department,” appointing an department manager at SBI Holdings and each of the Group company and holding regular monthly meetings.

A Group effort to collect and analyze a large volume of diverse data, for the purpose of enhancing Group operating activities.

Examples

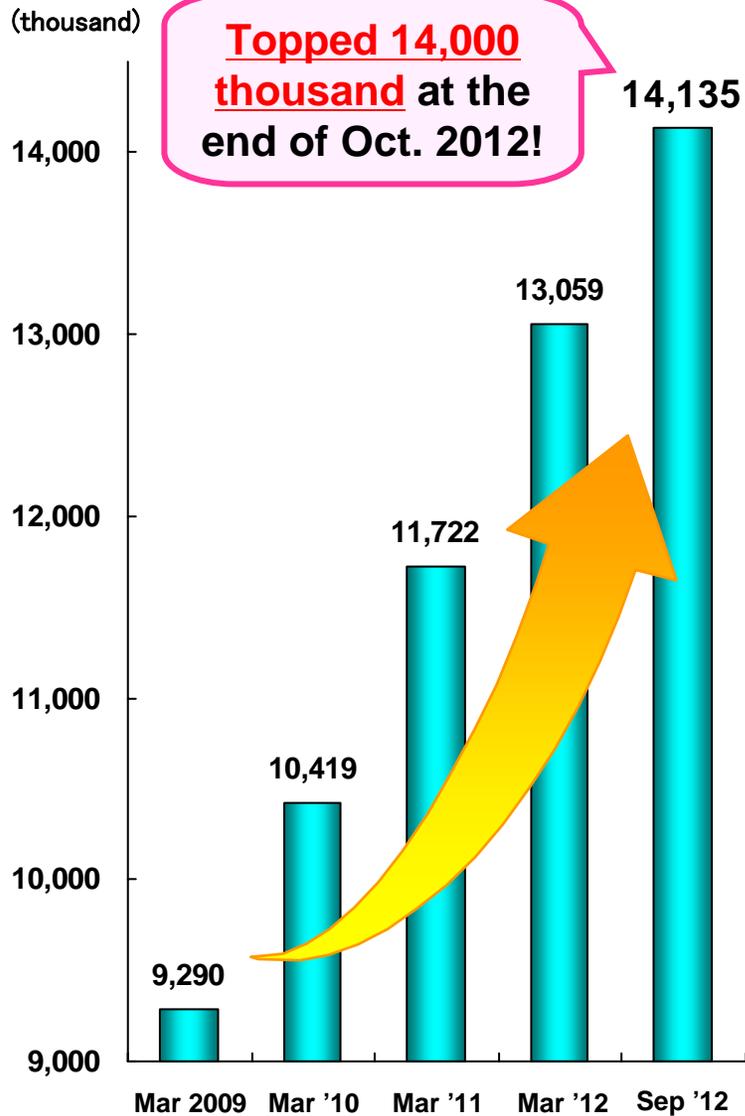
(i) Utilization for the corporate customer business

- **Collect information concerning corporate customers of the Group companies to construct a database**

(ii) Utilization for the retail customer business

- **Utilization of MoneyLook (online household account manager)**
- **Use of customers’ action history**

The SBI Group's Customer Base



Breakdown of the Customer Base

(as of the end of Oct. 2012)

(thousand)

SBI SECURITIES	(Accounts)	2,486
SBIH InsWeb	(No. of customers)	4,895
E-LOAN	(No. of customers)	1,248
Other financial websites	(No. of customers)	26
MoneyLook	(Total no. of customer registrations)	797
Morningstar Japan	(New portfolio customer registrations)	92
SBI Card	(Valid cards issued)	128
SBI Sumishin Net Bank	(Accounts)	1,507
SBI Insurance	(Total no. of contracts)	487
Autoc one	(Total no. of service users in 2011)	800
Lifestyle-related websites (Ticket Ryutsu Center, muSBI.net)	(Total no. of customer registrations)	1,038
SBI Credit	(No. of customers)	146
Others (SBI Mortgage, SBI Point Union, etc.)		485
Total		14,135

* Repetition customers between Group companies are counted double while it is omitting repetition in each service site when it can be recognized as a unique user.

* The total number of contracts of SBI Insurance excludes continuing contracts, expiring contracts and early-withdrawal

(e.g.) Analysis of Relational Tables Based on Action History of Customers

Calculate linkage among the Group from access history, browse history, and usage history

		Customers to							
		SBI SECURITIES	SBI Sumishin Net Bank	SBI Insurance	SBI Card	SBI MONEY PLAZA	SBI FXTRADE	SBI Mortgage	...
Customers from	SBI SECURITIES		XXX	XXX	XXX	...			
	SBI Sumishin Net Bank	XXX							
	SBI Insurance	XXX							
	SBI Card	XXX							
	SBI MONEY PLAZA	:							
	SBI FXTRADE								
	SBI Mortgage								
	:								

Data listed below to be tabulated from action history (examples)

- No. of customers transferred between Group companies, its percentage of total
- No. of orders (opening of accounts, visiting appointments, contracts, etc.), its percentage of total
- No. of customers using more than one service
- Contribution to campaigns, focused products, new services
- Linkage intensity between the websites

Make “Big Data” into “Bigger Data” through Partnerships with Companies Outside of the Group Companies

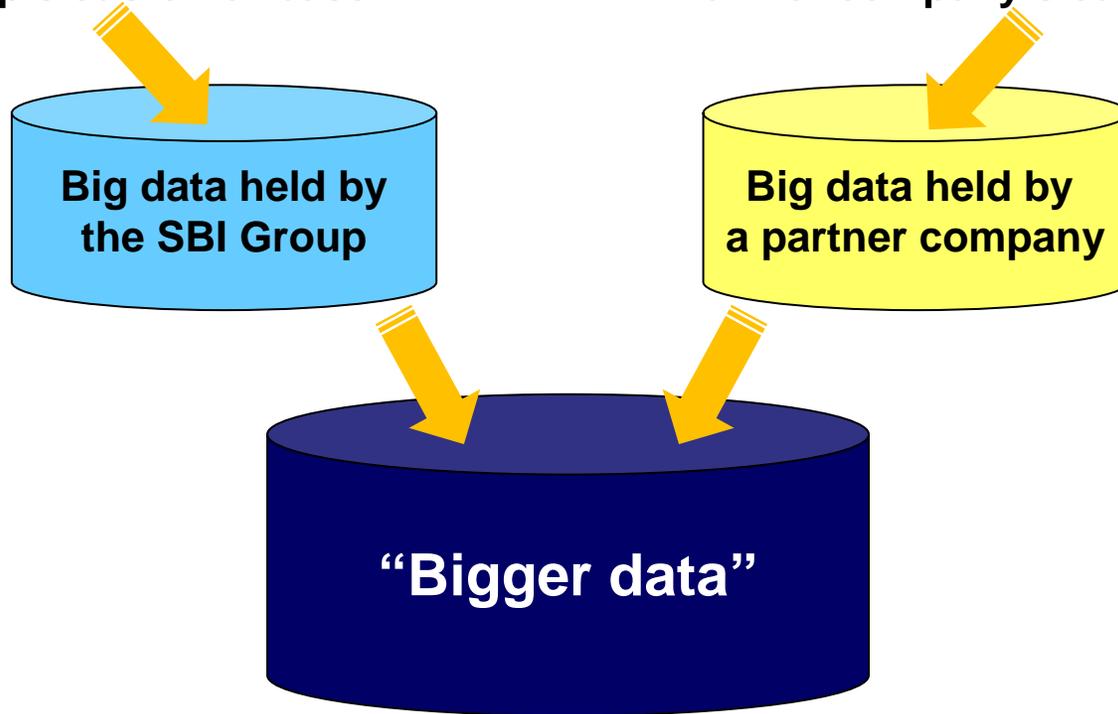
Move forward with strategic alliances with companies outside of the Group, and through the mutual utilization of the respective customer bases, strengthen sales capacity



SBI Group's customer base



Partner company's customer base



(2) The Development of Businesses with Little Correlation to the Vagaries of the Stock Market

- ① SBI Sumishin Net Bank**
- ② SBI Insurance**
- ③ SBI Mortgage**

① SBI Sumishin Net Bank

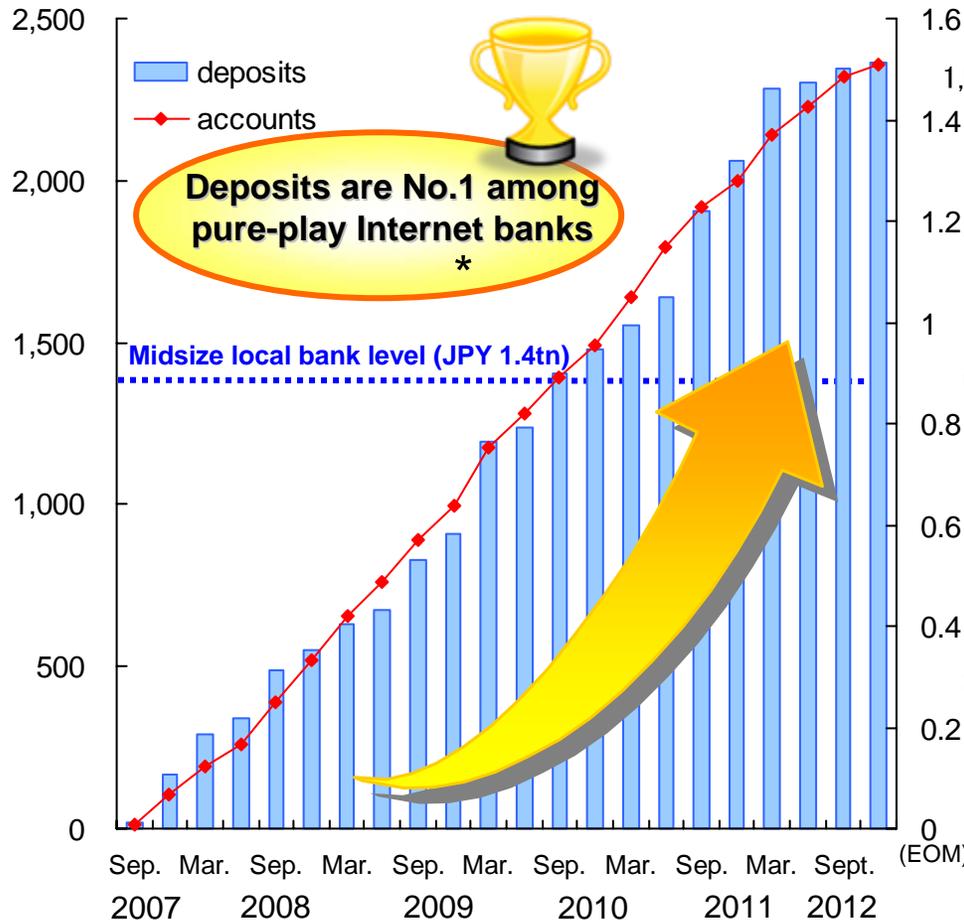
Current State of SBI Sumishin Net Bank

Change in the Number of Accounts and Deposits

Number of accounts: 1,507,066 / Deposits: JPY 2,362.9bn
(as of the end of Oct. 2012)

(deposits: JPY billion)

(accounts: million)

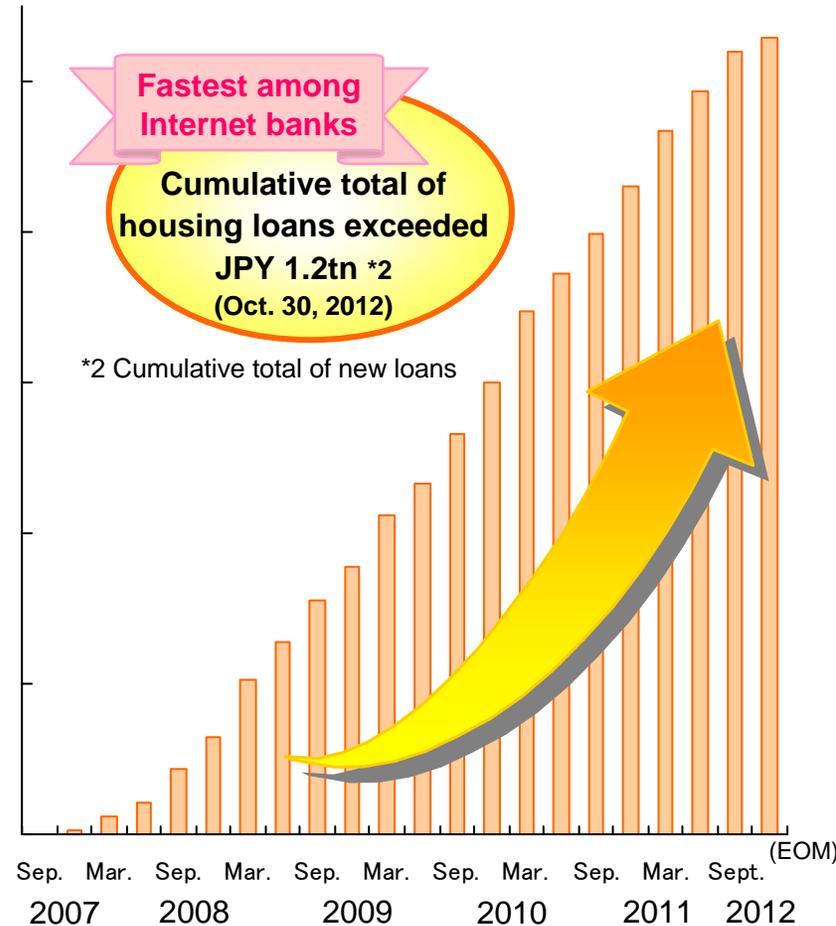


Change in Balance of Housing Loans *1

JPY 1057.7bn
(as of the end of Oct. 2012)

*1 Include housing loans as a banking agency of Sumitomo Mitsui Trust Bank

(JPY billion)



(*) From information disclosed by each company. Pure-play internet banks refer to SBI Sumishin Net Bank, Japan Net Bank, Sony Bank, Rakuten Bank.

Financial Results Comparison of New Entrant Banks



Pure-play Internet Banks' Financial Results for 1H FY2012

JPY billion; parenthetic figures are YoY % change.
The number of accounts is in thousands.

	Date of operation started	Deposit amount	Balance of loans	Number of accounts	ordinary income/loss
SBI Sumishin	Sept. 2007	 2,343.4	 1,027.3	1,486 (21.2)	2.8 (11.6)
Daiwa Next	May 2011	1,872.7	535	613 (86.3)	1.1 (in deficit)
Sony Bank	June 2001	1,819.4	898.6	910 (3.3)	1.9 (-11.6)
Rakuten	July 2001	783.9	183.3	4,107 (6.7)	4.7 (42.0)
The Japan Net	Oct. 2000	501.7	27.8	2,407 (5.2)	0.9 (-22.2)
Jibun	July 2008	430.3	62.6	1,428 (10.8)	0.7 (in deficit)

Note: Non-consolidated results. The number of accounts is as of the end of Sept. 2012.
Amounts are rounded down to the nearest 100 million yen or thousand accounts.

SBI Sumishin Net Bank's number of accounts is increasing steadily

Customer Satisfaction

1st: JCSI Customer Satisfaction Survey in FY2011
(Japanese Customer Satisfaction Index)



Banking industry

10th in overall ranking (29 industries / 366 companies)

for 3 years!

1st: “Oricon customer satisfaction ranking” in FY2012
The general category for Pure-play Internet Banks



No.1 categories:

“Fees (including bank transfer/ATMs/procedures for after-hours use and so on)”, “Wide Variety of Financial Products”, “Time Deposit and Reserve” , “Foreign Currency Deposit”

for 3 years!

1st: “Japan Investor Satisfaction Study 2012”
Self-Directed Bank Segment



* This customer satisfaction and consulting services research was conducted by J.D. Power Asia Pacific, a global professional agency.

Housing Loans Also Receives High Praise

On sale November 14, 2012

“Supplemental Edition: Takarajima

Not knowing this will cost you dearly! Housing loan ranking to avoid any regrets for the rest of your life”

Magazine cover



住信SBIネット銀行

SBI Sumishin Net Bank

- Housing Loan Ranking for Loans Shorter than 10 Years 1st
- Adjustable Housing Loan Ranking 1st
- Refinancing Ranking 4th



SBI Mortgage

- “Flat 35” Ranking 2nd

② SBI Insurance

Comparison of Auto Insurance Premium Income at Major Direct Insurance Companies

[Comparison of Auto Insurance Premium Income]

(JPY million)

	Date of operation	FY2010		FY2011		FY2012 First Half
Sony Assurance	Sept. 1999	65,516	Sony Assurance	70,712	Sony Assurance	37,293
AXA GENERAL INSURANCE	July 1999	33,271	AXA	35,261	AXA	19,407
Mitsui Direct	June 2000	32,688	Mitsui Direct	33,830	Mitsui Direct	17,158
Zurich Insurance (Japan Branch)	July 1986	27,931	Zurich Insurance	30,126	Zurich Insurance	15,467
American Home Direct	Dec. 1960	17,143	American Home	16,594	SBI Insurance	9,437
Sonpo 24	Mar. 2001	10,697	SBI Insurance	14,288	American Home	7,737
SBI Insurance	Jan. 2008	10,069	Sonpo 24	11,810	Sonpo 24	6,231
E.design Insurance	June 2009	2,856	E.design	5,213	E.design	4,567

*Direct net premiums written, except for E.design, whose figures are net premiums written (Source: Disclosure from each company)

Diversification of the Product Portfolio Through the Launch of New Products, as well as Providing Partner Company Products

[SBI's products]

Cancer Insurance

Aug. 2012 on sale

SBI損保のがん保険 自由診療タイプ

“While a traditional cancer insurance policy guarantees a lump-sum and daily payments, SBI's unrestricted cancer insurance policy has the additional attraction that it covers actual treatment expenses.”

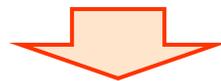
Newspaper article

(“The Nikkei” newspaper on Sept. 12, 2012)

Auto Insurance

SBI損保の自動車保険

Selected as No.1 in customer satisfaction surveys conducted by various media since its first launch.



Taking full advantage of the sales counter channel at 295 nationwide branches (as of the end of Oct. 2012), the face-to-face channel of SBI MONEY PLAZA

[Partner companies' products]

Fire insurance

(Sale from Aug. 2012)

Underwriter:

SAISON

AUTOMOBILE&FIRE INSURANCE



Earthquake insurance

Underwriter:

SBI SSI



Traveler's insurance

Underwriter:

HS Insurance



[Reference]: Outline of the New Cancer Insurance "SBI-Sonpo no Gan-Hoken"

		SBI損保のがん保険 <small>自由診療タイプ</small> SBI Insurance's Cancer Insurance Products		A product of Company A	
Duration of cover		5 years (automatically renewed until the holder reaches 90 years of age)		5 years (automatically renewed until the holder reaches 90 years of age)	
Schedule of coverage	Confirmation of cancer diagnosis	1 million yen lump sum		1 million yen lump sum	
	Terms of subsequent payments	After two years from the confirmed diagnosis date, on which the previous compensation was paid		After three years from the confirmed diagnosis date, on which the previous compensation was paid	
	Hospitalization	Actual expenses are covered (including non-covered own expense treatment costs) Hospitalization: unlimited Inpatient: up to 10 million yen		Actual expenses are covered (including non-covered own expense treatment costs) Hospitalization: unlimited Inpatient: up to 10 million yen	
	Outpatient				
Monthly premium (yen)		Male	Female	Male	Female
	20 years old	800	910	1,340	1,510
	30 years old	970	1,450	1,430	1,920
	40 years old	1,600	2,730	1,930	3,350
	50 years old	3,330	4,680	4,460	5,460
	60 years old	7,200	5,980	8,310	6,080
	70 years old	12,570	7,690	15,550	8,190

* The above table does not present complete information about the company's insurance products; it indicates the major differences in cover and does not constitute an offer to sell any of SBI Insurance's insurance products.

* The information contained in the above table may not be available under certain circumstances and names or terminology may vary according to different insurance companies.

SBI Insurance Receives High Praise

SBI損保の自動車保険 Auto Insurance



No.1

Oricon customer satisfaction ranking FY 2012
/ Auto Insurance Category
“Auto Insurance Premium Ranking”

for 4 years!



No.1

Diamond Weekly * In the April 21, 2012 issue
“Auto Insurance Premium Ranking”

for 4 years!



No.1

Rakuten Insurance
Ranking of Most Popular Auto Insurance
the First Half of FY2012

for 4 years!



No.1

Kakaku.com
“Auto Insurance Ranking (2012) Premium Section ”

for 3 years!

Official Website



HDI-Japan HDI’s Call-center Customer Satisfaction Ratings
Top “three-star” rating in the Support Portal (Official
Website) Category

Future Financial Policy for Insurance Business

On January 31, 2012 (in the third quarter financial results), announced our policy of reducing SBI's shareholding of SBI Insurance



Currently endeavoring to enter by either acquisition or establishment

As the business expands

- The policy reserve causes an accounting deterioration in the business performance
- Requires repeated large additional capital



Considering the flexibility of reducing SBI's shareholding ratio to as low as 40-50%, through the formation of capital and business tie-ups, for both the life and nonlife insurance businesses.

Announced Capital Participation of WebCrew Inc. to SBI Insurance on October 2, 2012

To transfer SBI Insurance's share (19.85% of the issued share capital of SBI Insurance) to WebCrew Inc.

Major shareholders	After the transfer
SBI Group	76.58%
WebCrew Inc.	19.85%
Aioi Nissay Dowa Insurance Co., Ltd.	3.46%
SOFTBANK CORP.	0.11%



Planning to decrease the SBI Group's shareholding rate to around 40-50% through forming capital and businesses alliances with strategic partners

WebCrew Inc.

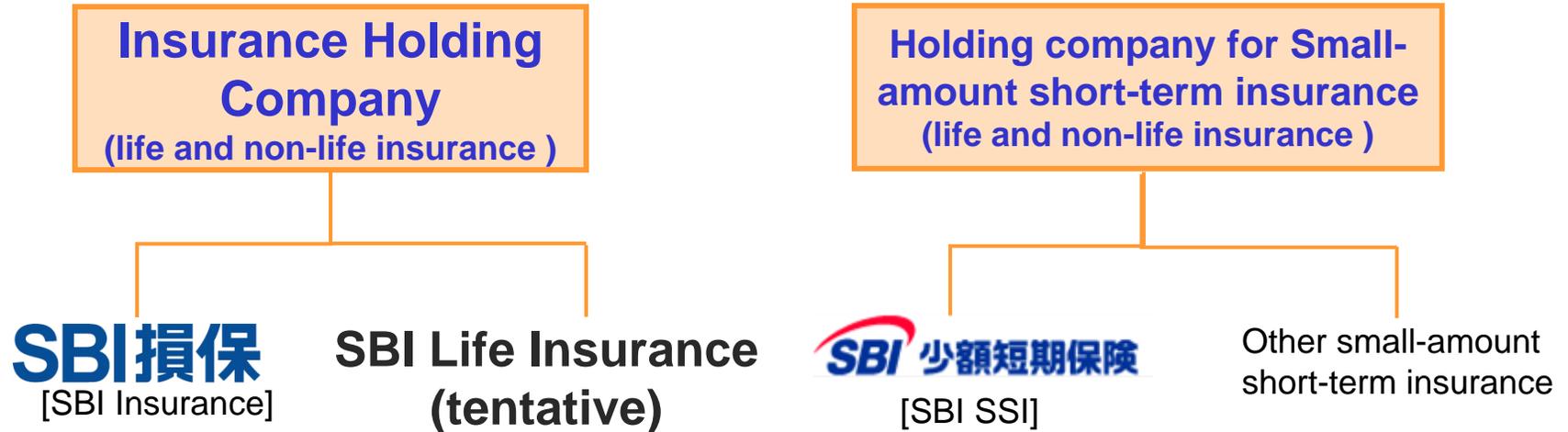
Providing an independently operated portal website "Zubatto" that enables the users to easily compare and choose the most relevant financial products or services including insurances and daily living services they are seeking for. Their subsidiary, Hoken Minaoshi Honpo Co., Ltd., manages outlets that provide recommendations on selecting of life and non-life insurance.

Formed a business tie-up with WebCrew Inc., with the objective of:

- Enhancing collaboration with our marketplace business,
- Creating a stronger cross selling operation on the back of two companies' customer bases.

Establishment of Insurance Holding Companies which will Supervise the Domestic Insurance Business is Under Consideration

Planning to establish an insurance holding company that retains SBI Insurance, SBI Life Insurance (tentative) and SBI SSI, etc.



[Advantages of establishment of an insurance holding company]

- Efficient use of resources related to the insurance business, including the information and know-how on fund management and risk management information as well as human resources.
- Strengthening cooperation and creating synergies between insurance companies.
- Diversifying the financing means for implementing a capital increase following business expansion.

③ SBI Mortgage

**(As the first Japanese company, listed on
Korea's KOSPI Market on Apr. 30, 2012)**

SBI Mortgage 2Q FY2012 Financial Results (IFRS)*

(JPY million,%)

	1Q FY2012 (Apr. 2012 - June 2012)	2Q FY2012 (July 2012 - Sept. 2012)	QoQ % change
Net Operating Revenue	2,368	2,851	+20.4
Profit Before Income Tax Expense	626	922	+47.2
Profit for the Period	387	573	+48.0

* The results above are pre-audit numbers, and are therefore subject to change, for instance owing to an outside audit.

[Dividend payout after listing]

Dividend for listing celebration (base date: June 30, 2012)

KRW 300 (JPY 22.2*) per share, KRW 7.12bn in total (JPY 0.53bn*)

Interim Dividend (base date: Sept. 30, 2012)

KRW176* (JPY 13) per share, KRW 4.17bn* in total (JPY 0.31bn)

*Calculated at JPY/KRW=13.523

dividend for listing celebration is KRW denominated and interim dividend is JPY denominated

SBI Mortgage's Balance of Loans Outstanding Exceeds JPY 1.3bn in September 2012



New loans issued in 2Q FY2012(July –Sept.) increased by 20.3% QoQ

(JPY billion)

<Change in Housing Loans Outstanding>

As of the end of Sept. 2012

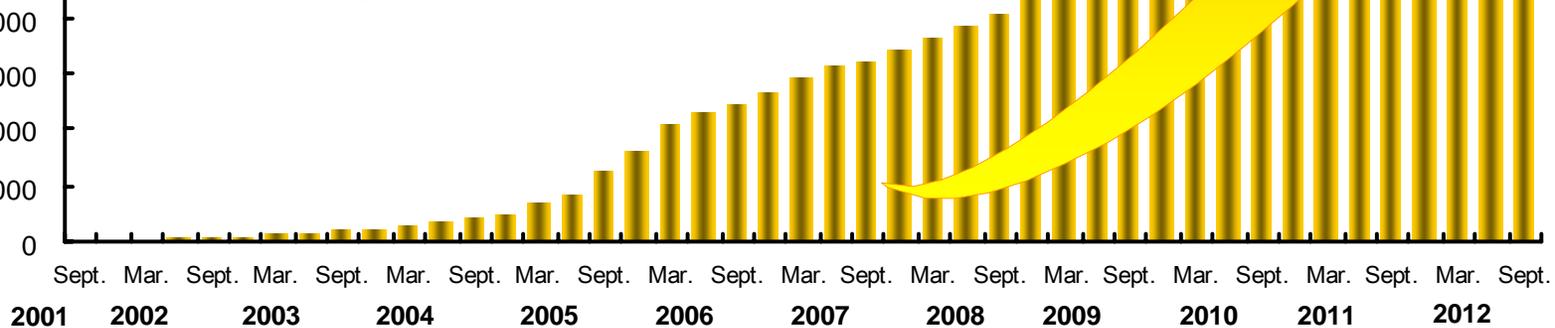
JPY 1,325.2bn

Offers the lowest level of interest rates

[e.g. "Flat 35S Basic" Plan A]

Term	Initial 10 years	After 11th year
15-20 years	1.23%	1.53%
21-35 years	1.48%	1.78%

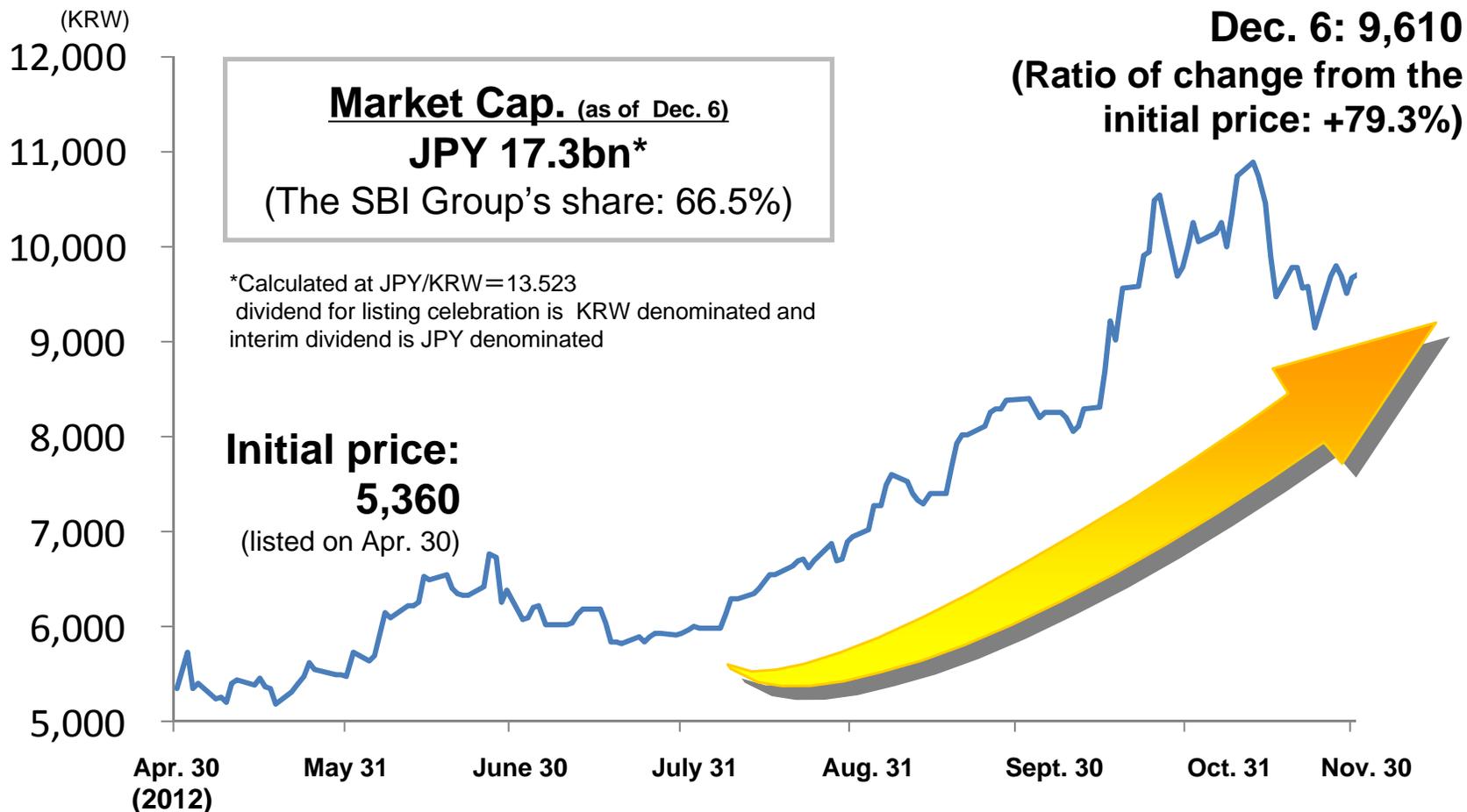
* The lending rate in Dec. 2012 (annual interest rate)



SBI Mortgage's "Flat 35" market share for 1H FY2012: 20.8%
1st among 338 companies

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

Change in Stock Price of SBI Mortgage After Its Listing on KOSPI in Korea



To develop business in South Korea as the first mortgage bank in the country, SBI Mortgage established a local subsidiary on Oct. 1, and is preparing to acquire a license

Also actively holding investors relations activities in Korea

Launched the Sale of Japan's First "Flat 35 Reform Pack" from the Japan Housing Finance Agency

Launched as "SBI Flat Reform" (from July 9, 2012)

**"Existing Home Information on 1 Million Homes-
Accumulated from Public and Private Sectors,
Cultivating a JPY 20tn Market"**

Newspaper article

Sept. 23, 2012 "The Nikkei" Morning Edition

**"Integrated Loans for Purchasing and
Renovating Existing Homes Gradually
Increasing in Popularity"**

Newspaper article

Oct. 5, 2012 "The Nikkei" Morning Edition

Strive to enhance profitability by expanding the product offering and services for the existing home and renovation markets, which is expected to grow with the support of the government's housing measures.

(3) The Establishment of a Global Business Management System that Realizes the "World's SBI"

- ① **Basically completed establishment of a global investment structure, which covers a broad area of the world, with a focus on the emerging countries**
- ② **Promoting further international development of the financial service business**
- ③ **The improvement of the global network through the collaboration with overseas partners**
- ④ **Toward Realization of Hong Kong Second Headquarter**

- ① **Basically completed establishment of a global investment structure, which covers a broad area of the world, with a focus on the emerging countries**

Completion of Global Investment Structure Focusing on Emerging Countries

Since 2005, created a global overseas investment structure, which permeates the world, through establishments of JV funds with prominent local partners

Outline of the SBI Group's overseas JV funds ①

Fund name	Establishment	Partners
New Horizon Fund 	May 2005	TEMASEK (Investment company for the Singaporean government)
SBI & TH VC Fund 	Jan. 2008	Tsinghua Holdings (Company of the Tsinghua University)
SBI & BDJB China Fund 	Feb. 2008	Peking University Beida Jade Bird Group (Strategic investment arm of Peking University)
Vietnam Japan Fund 	Apr. 2008	FPT (Vietnam's largest high-tech company)
SBI& Capital 22 Fund 	Oct. 2008	Founder of a Taiwanese IT company
SBI Zhaoxin Fund 	Mar. 2009	China Merchants Securities, Resource Capital China, China CITIC Bank
PNB-SBI ASEAN Gateway Fund 	Dec. 2009	PNB Equity Resource Corporation (Malaysian governmental investment management company)
SBI-Islamic Fund 	June 2010	Brunei Darussalam, Ministry of Finance
Jefferies-SBI USA Fund 	June 2010	Jefferies Group, Inc (Major U.S. securities company)
SBI-Jefferies Asia Fund 	July 2010	Jefferies Group, Inc (Major U.S. securities company)
SBI-METROPOL Investment Fund 	Nov. 2010	IFC METROPOL (Major integrated financial group in Russia)

Outline of the SBI Group's overseas JV funds ②

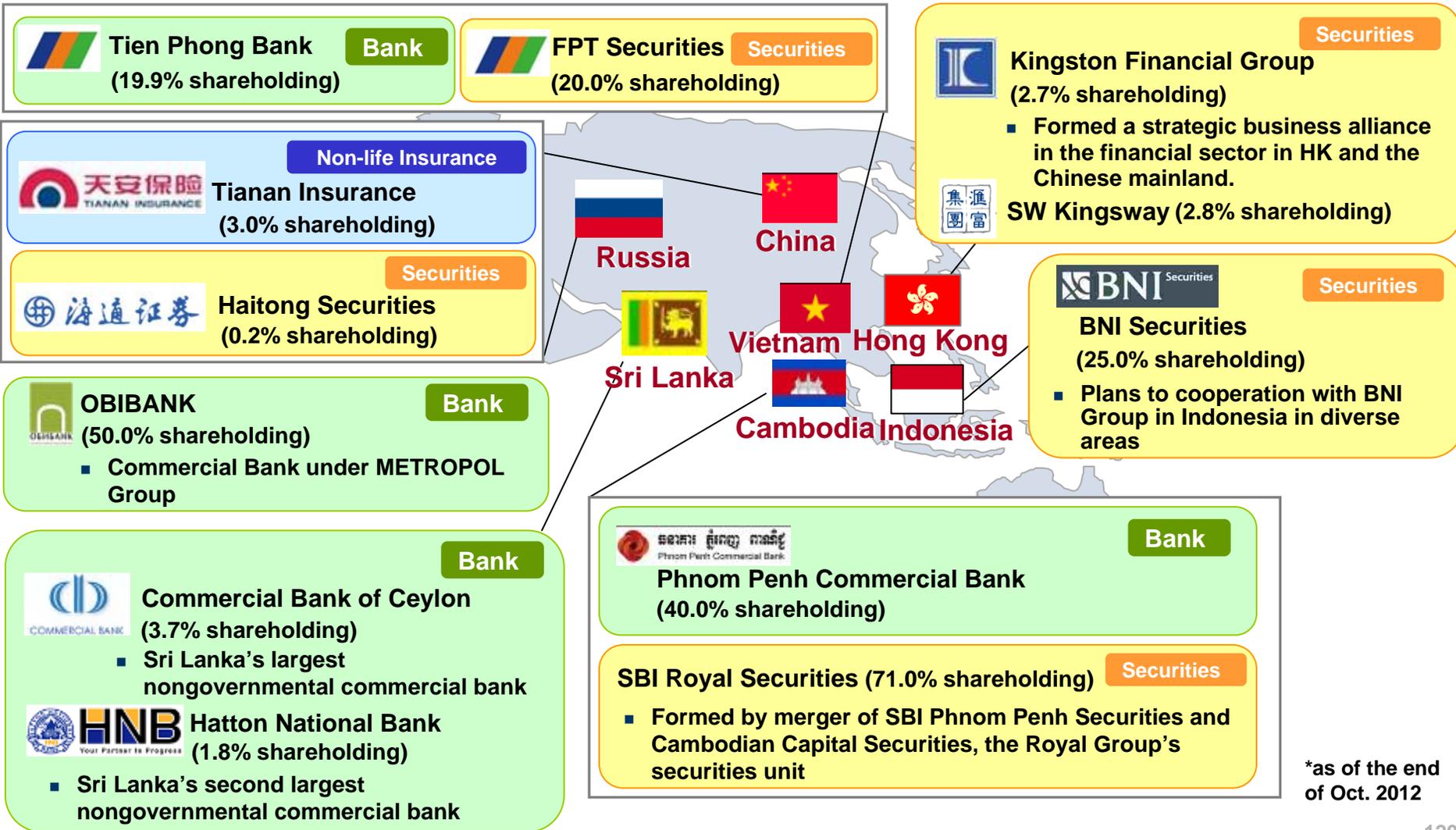
Fund name	Establishment	Partners
INVEST AD/SBI AFRICA FUND 	Jan. 2011	Invest AD (Subsidiary of the Abu Dhabi Investment Council)
INVEST AD/SBI TURKEY FUND 	May 2011	Invest AD (Subsidiary of the Abu Dhabi Investment Council)
SNSI Fund 	July 2011	Shin Kong Group (Major financial group in Taiwan) Nan Fung Group (Major real estate developer in HK)
Kingston/SBI Credence Fund 	Sept. 2011	Kingston Financial Group (Major financial group in HK)
EW SBI Crossover Fund 	May 2012	Edelweiss Financial Services
Fudan University Fund 	June 2012	Fudan Forward
Cambodia Fund 	In preparation	Royal Group (Largest conglomerate group in Cambodia)
Shanghai Yidian Fund 	Scheduled to be established in Nov. 2012	Shanghai Yidian Holding (Large state-owned information company directly under the Shanghai Municipal Government)
Nirvana Digital India Fund 	In preparation for formal agreement	Founding family of Patni Computer Systems
Mahindra Satyam Fund 	Prior to formal agreement	Mahindra Satyam (Large IT service company in India)
SBI-FMO Asia Financial Services Fund 	Recruiting external investors	FMO (Bilateral private sector development bank)

NEW!! Received a final approval from the Shanghai Commission of Commerce and the Shanghai Municipal Financial Services Office, for the establishment of an "Equity Investment Management Enterprise." First case in China to earn an approval involving a Japanese majority shareholding in an "Equity Investment Management Enterprise."

② Promoting further international development of the financial service business

Investments in Overseas Financial Institutions Primarily in Asia

With the alliances to prominent local partners, the SBI Group has advanced the overseas development of its various financial services



*as of the end of Oct. 2012

Deepening of Current Overseas Financial Services

-  Encouraging OBIBANK (Russia) to launch a online banking service



OBIBANK
(SBI: 50.0% shareholding)

Commercial bank under METROPOL Group,
a major financial conglomerate in Russia

In preparation for a scheduled launch in July 2013, with the system requirements definition completed, and now finalizing toward the actual start of development.

**Further enhance earnings capacity by transferring the know-how and systems of online banking services that the SBI Group has developed in Japan.
Strive to recoup investments at an early period.**

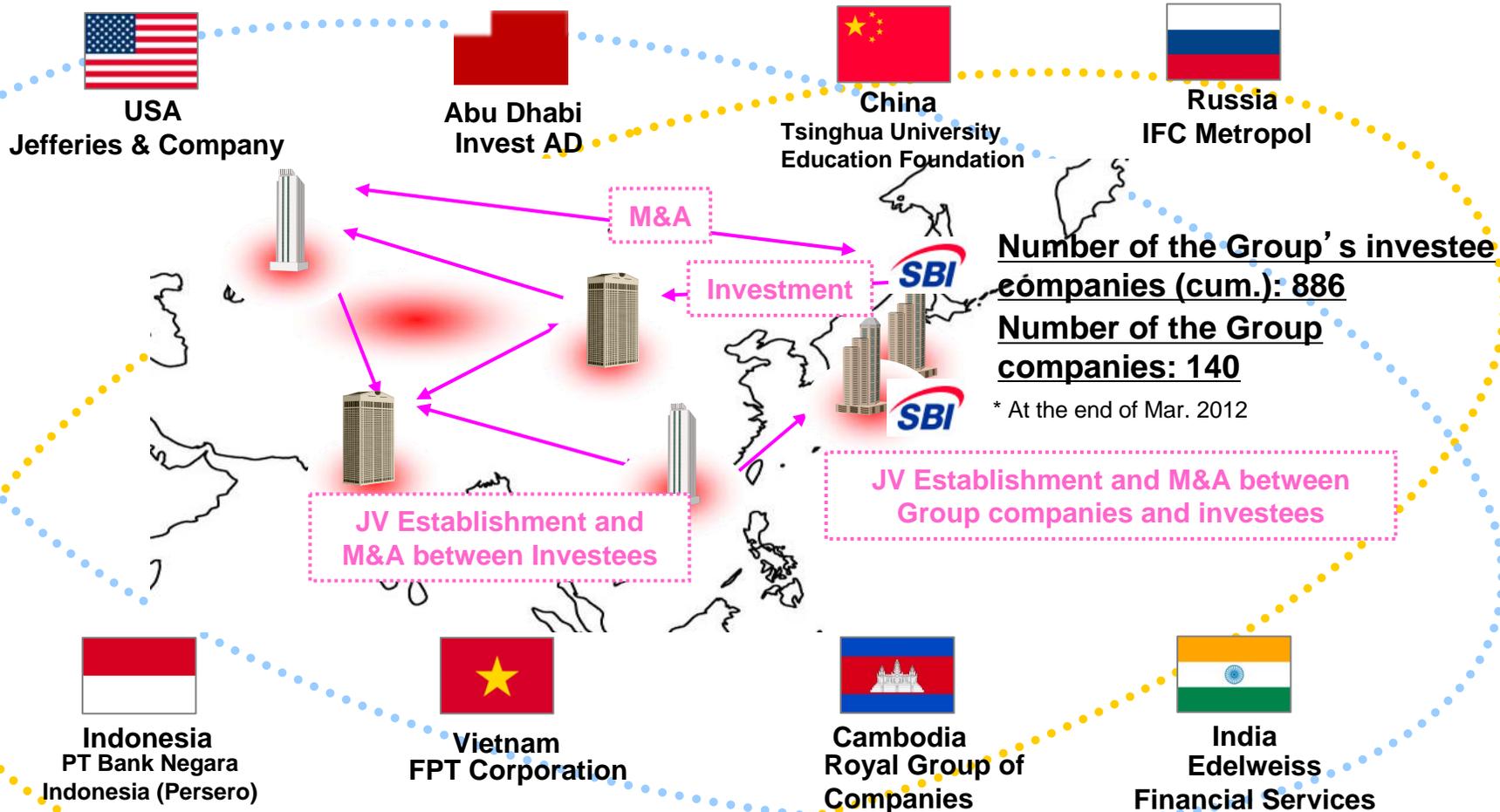
-  Reviewing the investment in Phnom Penh Commercial Bank (Cambodia)



Phnom Penh Commercial Bank
(SBI: 40.0% shareholding)

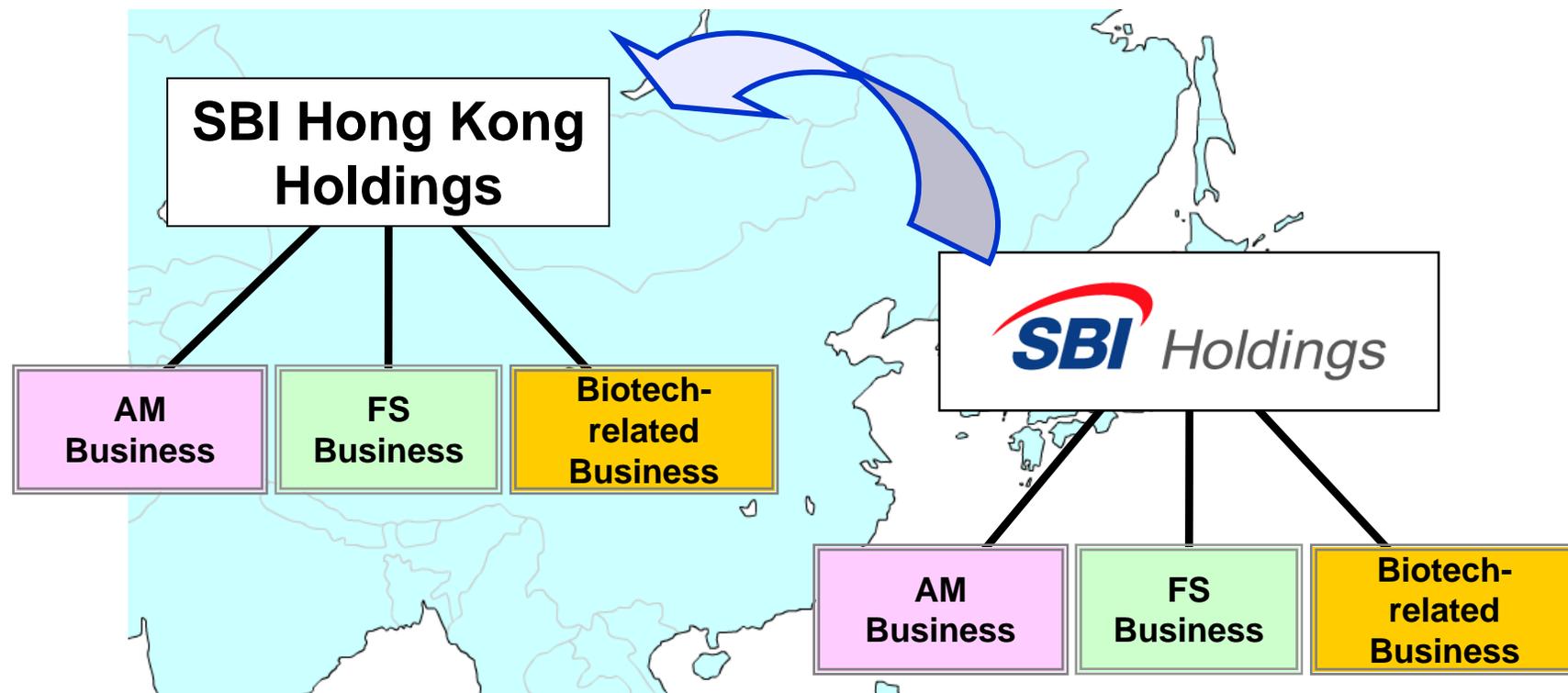
③ The improvement of the global network through the collaboration with overseas partners

Creating new value propositions through various activities, such as M&A, and organically linking the SBI Group network with the domestic and overseas investee companies, including the overseas JV partners.



④ Toward Realization of Hong Kong Second Headquarter

Planning to form a business structure which manages the Group's overseas businesses of three major businesses



- Transfer overseas related subsidiaries and assets to Hong Kong subsidiary and establish similar business structure to that in Japan
- The project for functional transference from the Tokyo office to the Hong Kong office is in progress, as well as the determination of the role of the Hong Kong headquarter, and the individual members to be dispatched.
- IPO on overseas market is in sight

5. Management's thoughts on SBI's share price

~Have Japanese Stocks Bottomed Out?~

Key Point ①: The advent of yen depreciation after 5 years of appreciation

- A) BOJ implemented monetary easing measures consecutively in Sept. and Oct.**
- B) Mr. Abe, President of the LDP, is widely anticipated to become the next prime minister**
- C) Settlement of trade deficit**
- D) Increase in foreign direct investment (FDI)**

Key Point ②: Signs of the departure from the global recession

- E) Following the implementation of the third round of quantitative easing (QE3), the U.S. economy has experienced an improvement in the housing market and a recovery of the employment situation**
- F) The European Central Bank (ECB)'s announcement of the Outright Monetary Transactions (OMT)* program calmed down the European Union (EU) market**
*** The ECB's program to directly purchase government bonds issued by EU countries**
- G) Signs of China's economy bottoming out**

Key Point ①: The Advent of Yen Depreciation After 5 Years of Appreciation

Exchange Rate of USD/JPY Since 2007



Factors Contributing to Yen's Depreciation After 5 Years of Appreciation

A) BOJ implemented monetary easing measures consecutively in Sept. and Oct.

Newspaper article

“BOJ further eases monetary policy with an extra 11 trillion yen”
“The Bank of Japan decided to further ease its monetary policy for the second consecutive month, following an additional 10 trillion yen in monetary easing measures launched in September. This marks an unusual second consecutive month of monetary easing for the first time in nine and half years,...highlighting the central bank’s commitment to avert a domestic economic stalemate and overcome deflation.”

(Oct. 31, 2012 “The Nikkei” newspaper morning edition)

Factors Contributing to Yen's Depreciation After 5 Years of Appreciation

B) Mr. Abe, President of the LDP, is widely anticipated to become the next prime minister

Newspaper article

“Yen weakens and stocks rise on Abe’s calls for further easing”

“An inflation target of 2-3%, unlimited monetary easing, negative interest rate policy.... Japanese financial markets have fervently responded to the comments by Mr. Shinzo Abe, President of the Liberal Democratic Party, who is touted as Japan’s next prime minister. On November 17th, Mr. Abe mentioned another policy of having the Bank of Japan underwrite construction bonds with an eye to injecting money into the financial market.

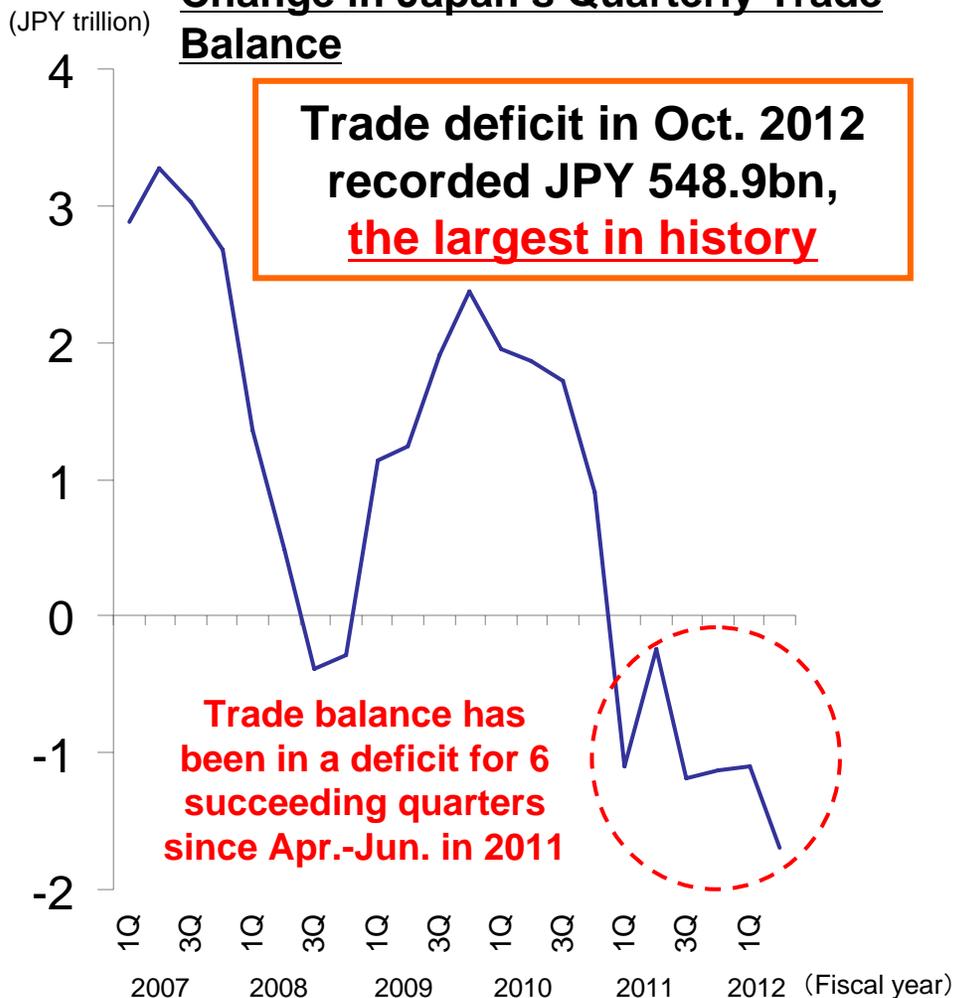
Expectations for a flurry of aggressive monetary easing measures are driving the yen lower and stock prices higher....”

(Nov. 18, 2012 “The Nikkei” newspaper morning edition)

Factors Contributing to Yen's Depreciation After 5 Years of Appreciation

C) Settlement of trade deficit

Change in Japan's Quarterly Trade Balance



D) Increase in foreign direct investment (FDI)

Increasing FDI

The amount of overseas M&A conducted by Japanese companies in 2011 exceeded JPY 5tn, an historical high



Newspaper article

After the Sprint Nextel Corp. (U.S.) acquisition by SOFTBANK CORP. in Oct. 2012, the yen has depreciated

(Oct. 12, 2012 "The Nikkei" newspaper morning edition)

Shrinking domestic market, the growth gaps with other countries
Yen's persistent appreciation, rich in corporate cash reserves etc.

Japan's FDI is expected to continue growing

*Numbers are seasonally-adjusted

Source: Ministry of Finance

*Number for Jul.-Sept. (2Q) 2012 is quick estimation

Global Economic Conditions – the U.S.

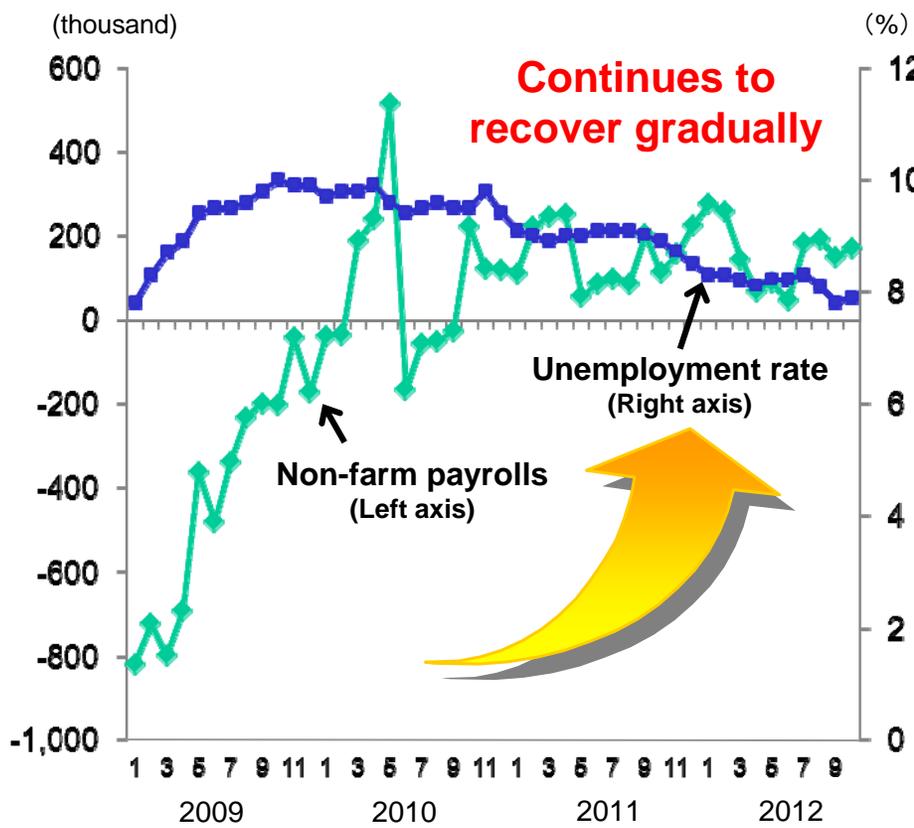
E) Following the implementation of the third round of quantitative easing (QE3), the U.S. economy has experienced an improvement in the housing market and a recovery of the employment situation

Residential Housing Market Trend (YoY)



* Source: United States Department of Commerce, NAR, S&P

Non-farm Payroll (MoM)/Unemployment Rate



* Source: Bureau of Labor Statistics, United States Department of Labor

F) The European Central Bank (ECB)'s announcement of the Outright Monetary Transactions (OMT)* program calmed down the European Union (EU) market

* The ECB's program to directly purchase government bonds issued by EU countries

European stocks: Stocks soar in favorable response to the ECB's policy to purchase government bonds

(Dow Jones U.S. Business News, September 7, 2012)

European stock markets rose sharply on September 6. The European Central Bank (ECB)'s President Draghi responded to market expectations by announcing that the ECB would launch outright purchases of government bonds, in an effort to alleviate upward pressure on the borrowing costs faced by eurozone member countries. This news triggered a rush to buy stocks and sharply drove down Spanish government bond yields.

Eurozone investor sentiment index rises for the third consecutive month in November

(Reuters, delivered on Monday, November 5, 19:12)

Sentix, a market research firm, reported on November 5 that its eurozone investor sentiment index rose to negative 18.8 from October's negative 22.2.

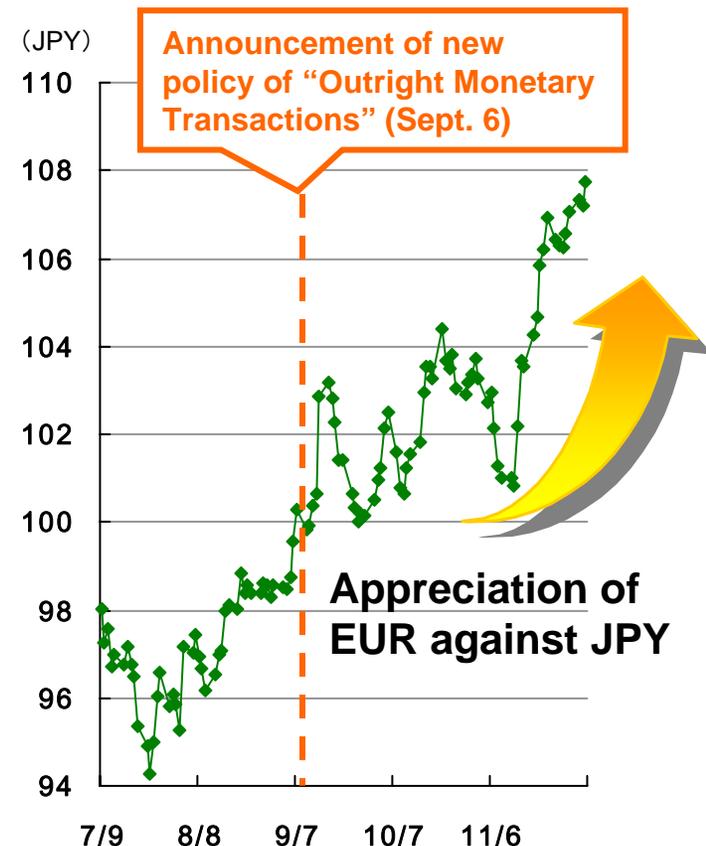
This marks the third consecutive month of a rise in the index. The outright purchases of government bonds announced by the European Central Bank (ECB) continue to lift investor sentiment.

Vice President of the German Bundesbank says ECB's plan to purchase government bonds temporarily eased the tension in the market

(Reuters, delivered on Thursday, November 15, 7:49)

German Bundesbank's Vice President Lautenschlaeger said on November 14 that the new Outright Monetary Transaction (OMT) program announced by the European Central Bank (ECB) has eased the tension in financial markets, but expressed doubts over the sustainability of its effects.

Exchange Rate of EUR/JPY



G) Signs of China's economy bottoming out

Newspaper article

Nov. 9, 2012 “The Nikkei” newspaper evening edition

China's company activities show signs of picking-up

“China’s domestic consumption still lacks its momentum, yet inter-company transaction prices are starting to show signs of bottoming out”

“Chinese government is working to accelerate admissions of rural infrastructure investments in order to halt the business slowdown. Manufacturing Inventory is slowly being liquidated, indicating the possibility of an uptick in production activities”

Purchasing Managers' Index (PMI) in October was recorded 50.2, up from 49.8 in September, exceeded the divergence point of 50, between business deterioration and improvement.

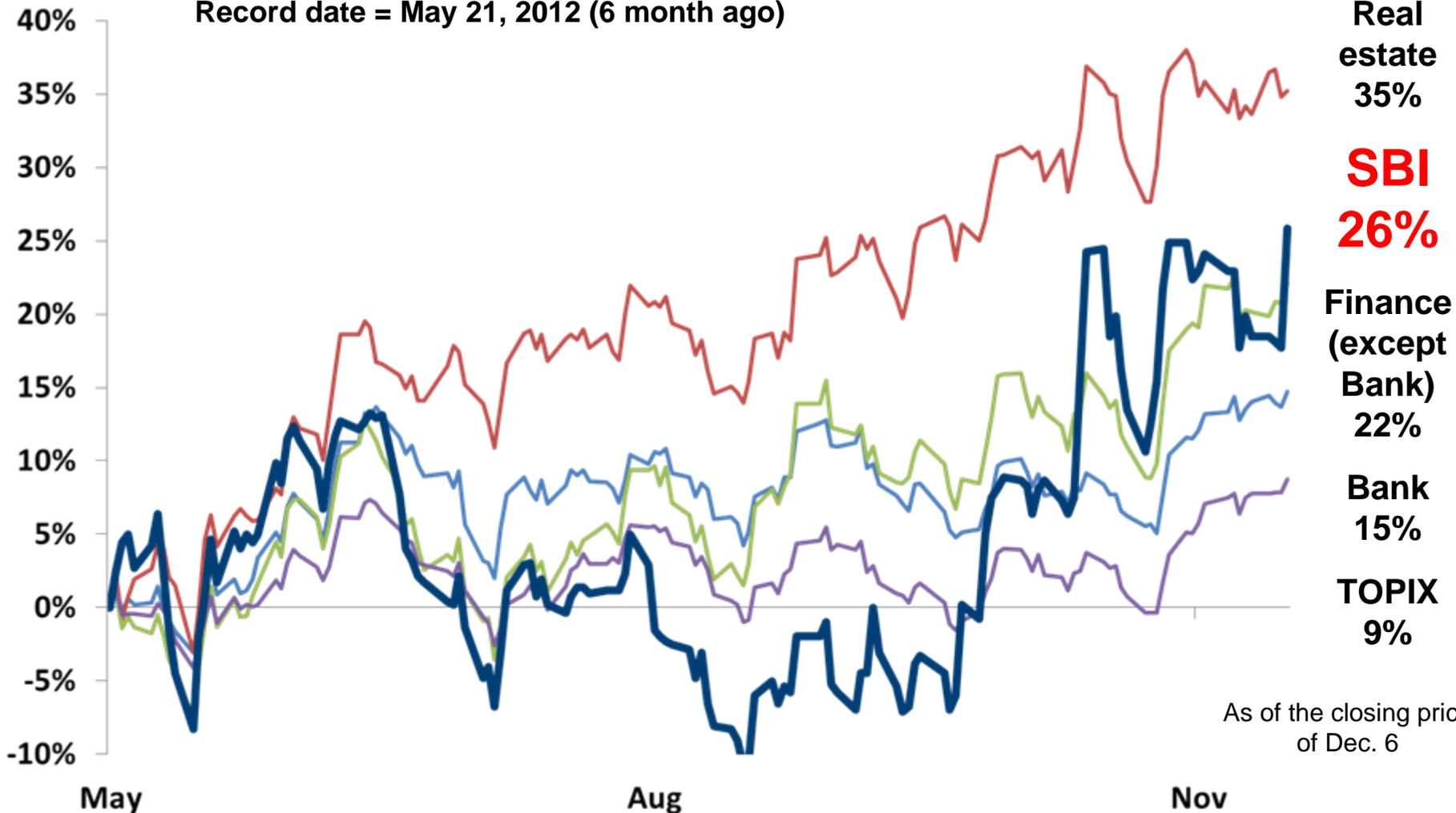
Japan's Stock Market Trend



Topix, Industry Average and SBI Holdings' Past 6 month Percentage Change

- Banks
- Financials(Ex banks)
- SBI
- Real Estate
- TOPIX

Record date = May 21, 2012 (6 month ago)



As of the closing price of Dec. 6

Strong Initial Price Ratio in the Domestic IPO Market

➤ Strong annual average ratio of initial price to public offering price of **1.53 times** in the current fiscal year, compared with **1.25 times** in the previous fiscal year.

➤ Several factors, including discussion of the enactment of the Japanese Jumpstart Our Business Startups (JOBS) Act early next year, which is designed to erase entry barriers to the capital market for unlisted companies, are raising expectations for the revitalization of emerging markets in the future.

List of Initial Price Ratio of IPO Stocks FY2012

IPO date	Company name	PO price (A)	Initial price (B)	B/A (X)
Apr. 4	Ateam	1,080	2,923	2.71
Apr. 20	UCHIYAMA Holdings	1,480	1,421	0.96
Apr. 25	Cocolonet	945	1,050	1.11
Apr. 26	Universal Engeisha	1,310	1,455	1.11
Apr. 27	Charm Care Corp.	950	1,000	1.05
May 29	Kitanotatsujin	1100	935	0.85
Jun. 20	Emergency Assistance Japan	1,100	1,400	1.27
Jun. 22	OHIZUMI MFG	350	400	1.14
Jun. 22	Happiness & D	1,900	2,202	1.16
Jun. 26	mobcast	800	2,301	2.88
Jul. 13	ACTCALL	1,700	2,500	1.47
Jul. 19	WirelessGate	1,200	2,311	1.93
Jul. 24	Enigmo	1,750	4,030	2.30

Aug. 7	SUCCESS Holdings	2,050	2,500	1.22
Sept. 19	JAL	3,790	3,810	1.01
Sept. 25	apcompany	2,350	3,305	1.41
Sept. 28	Mediaflag	900	2,120	2.36
Oct. 4	NIPPON Concept	1,020	938	0.92
Oct. 19	Trenders	2,550	6,500	2.55
Oct. 23	SANYO TRADING	460	444	0.97
Oct. 23	AWA Paper	370	371	1.00
Nov. 12	Arigato Serv.	1,170	1,302	1.11
Nov. 15	CAREERLINK	420	846	2.01
Nov. 21	S TRUST	1,350	2,513	1.86
Average				1.53
Average for FY2011				1.25

SBI SECURITIES have increased IPO underwriting



“SBI has also increased the number of underwritten issues for which it participated in the underwriting syndicate, in addition to those for which it served as lead managing underwriter. Of the total of 28 IPO issues launched since January 2012, SBI has participated in 21 syndicates, ranking first place in terms of the number of underwritten issues”

(Sept. 28, 2012 “NIKKAN KOGYO SHIMBUN”)

* The shaded row indicates companies which SBI SECURITIES served as lead-managing underwriter.

SBI Holdings' Recent Stock Price

[Last 2 years]



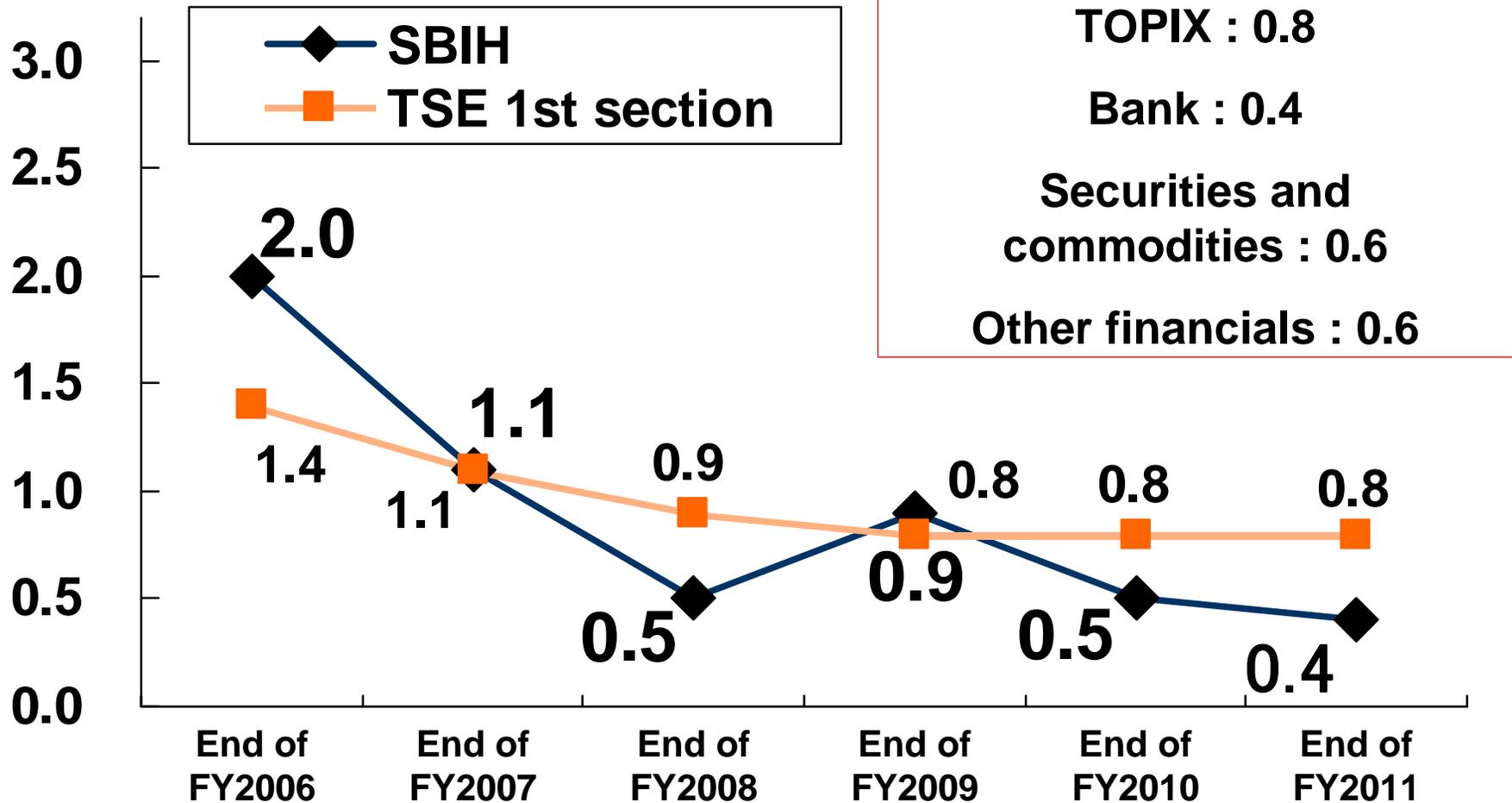
Change in PBR of SBI Holdings



PBR = Last price at the end of FY / Net assets per share at the end of FY

(X)

(As of the end of Mar. 2012)



Source : TSE website

Estimating Each Segment's Shareholder Value ①

(based on the closing prices on Dec. 6, 2012)

(JPY billion)

	Enterprise value by segment (theoretical value)
Asset Management	116.3
Financial Service	306.3 (+)*
Biotechnology-related	75.4
Others	38.6
Outside borrowings	-133.5
Sum total	403.0 (+)

(Reference) **Market cap** (actual value as of Dec. 6, 2012): **JPY 146.6bn**

* Other business including SBIH's comparison website business, SBI Lease, SBI Business Support are also profitable, but these businesses are not included in this shareholder value estimation.

Estimating Each Segment's Shareholder Value ②



<Premises>

- Market capitalization is based on closing prices on Dec. 6, 2012.

<Calculation Methods for Each Business>

- **Asset Management Business** → calculation based on Comparable Multiple Valuation Approach

{SBIH's investment asset balance (as of Mar. 31, 2012) + SBIH's equity interest of cash held by funds (as of Mar. 31, 2012)} x JAFCO's PBR (*1)

*1 JAFCO's PBR is calculated by its BPS as of Mar. 31, 2012

*2 The abovementioned "investment asset balance" represent the balance of operational investment securities and direct investment of SBIH's AM Business, and "cash held by Funds" represent the balance of cash held by both domestic and foreign funds.

- Financial Services Business

Combination of major companies' shareholder values

SBI SECURITIES → calculating the mean of the two values [(A) and (B)] resulted from Comparable Multiple Valuation Approach

$$\frac{(\text{Matsui's PER} + \text{Monex's PER} + \text{kabu.com's PER}) (*3)}{3} \times \text{SBI SECURITIES's Net income (FY2011)} \dots (A)$$

$$\frac{(\text{Matsui's PBR} + \text{Monex's PBR} + \text{kabu.com's PBR}) (*4)}{3} \times \text{SBI SECURITIES's Net asset (as of Mar. 31, 2012)} \dots (B)$$

*3 PERs of Matsui, Monex and kabu.com are calculated by their EPS for FY2011.

*4 PBRs of Matsui, Monex and kabu.com are calculated by its BPS as of Mar. 31, 2012.

SBI Liquidity Market → calculation based on Comparable Multiple Valuation Approach

$$\frac{(\text{Money Partners' PER} + \text{MONEY SQUARE JAPAN's PER}) (*5)}{2} \times \text{SBI Liquidity Market's Net income (FY2011)}$$

*5 PERs of Money Partners and MONEY SQUARE JAPAN are calculated by EPS for FY2011.

Estimating Each Segment's Shareholder Value ③

<Calculation Methods for Each Business (continued)>

- Financial Service Business (cont.)

SBI Sumishin Net Bank

→ The excess earning power of the bank for the five fiscal years beginning in FY2012 was estimated with the assumption that the after-tax income (*6) of SBI Sumishin Net Bank will grow 20 percent annually for those five fiscal years. Then, shareholder value was calculated by adding SBIH's equity interest in paid-up capital of the bank to the excess earning power.

*6 Under an assumption of a forecasted ordinary income of JPY 7.0 bn, the profit after tax for the corresponding fiscal year would be JPY 4.2 billion.

SBI Insurance → Predetermined market value of SBI Insurance at the point of partial share transfer (Nov. 2012) x number of shares issued (as of Sept. 30, 2012) x SBIH's equity interest

Morningstar Japan → Morningstar's stock price x number of shares issued (as of Mar. 31, 2012) x SBIH's equity interest (including indirect holdings)

SBI Mortgage

→ SBI Mortgage's stock price on KOSPI x number of shares issued x SBIH's equity interest (including indirect holdings)

- Biotechnology-related Business

SBI Pharmaceuticals

→ Market value at the point of partial transfer of former SBI ALApromo's shares x number of shares issued x SBIH's equity interest (including indirect holdings)

SBI Biotech → Market value at the point of financing x number of shares held by SBI (including indirect holdings)

Bio-related companies; Quark, Kadmon and Acucela; owned by funds

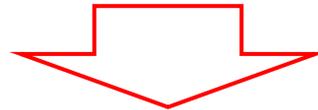
{SBIH's investment asset balance (as of Mar. 31, 2012) + SBIH's equity interest of cash held by funds (as of Mar. 31, 2012)} x average PBR of ten Japanese bio-venture companies

- Others

→ The value of the commercial real estate properties of SBIH as of the end of Mar. 2012 (the balance of real estate inventory + the balance of real estate included in tangible assets) was calculated.

Adoption of Share Unit System and Stock Split

- The Japanese stock exchanges decided to consolidate the trading unit to either 100 shares or 1,000 shares by Apr. 1, 2014.
- The level of a desirable investment unit is prescribed as stipulated under Article 445 of the Tokyo Stock Exchange's Securities Listing Regulations, to be between JPY 50 thousand to JPY 500 thousand.



According to the approval of the partial amendment to the Articles of Incorporation at the General Shareholders' Meeting to be held in June 2012, with the effective date of Oct. 1st 2012, SBIH...

- **Adopts the share unit system which sets a share trading unit at 100 shares**
- **Executes a split of its shares at a ratio of 10 shares to 1 shares in light of its stock price level**

Transactions of Less-than-one-unit Shares (Currently Less than 100 Shares)

On and after October 1, 2012 (the effective date of adopting the trading unit share system and implementing a stock split)

Holders of less-than-one-unit shares will lose their voting rights. However, the holders will still be able to:

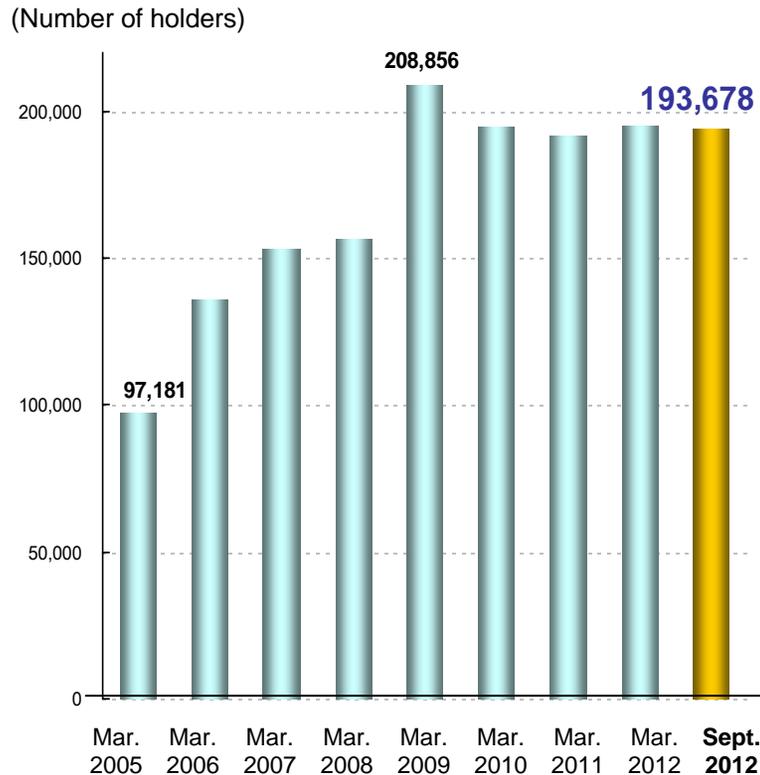
- ◆ **Receive dividends.**
- ◆ **Retain** their shares.
 - *Unlike an odd-lot (fractional) share, the holders' less-than-one-unit shares will not be forcibly purchased.
- ◆ **Sell less-than-one-unit shares** by requesting SBI to purchase these shares.
- ◆ Request SBI to sell as many shares (additional share purchase request) in order to **attain a full unit.**
- ◆ **Buy or sell less-than-one-unit shares** at SBI SECURITIES or other brokers that deal with odd shares in the specified manner at each broker.

SBI Holdings' Shareholder Composition

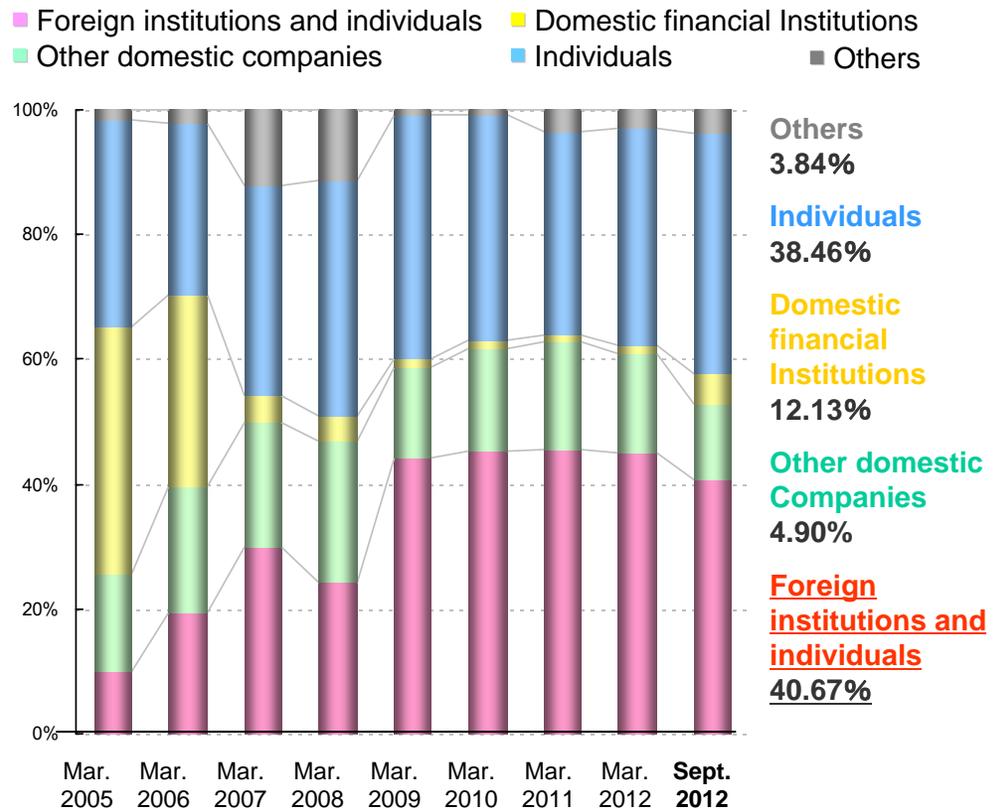


Foreign investors' shareholding ratio rapidly increased after FY2008, Foreign institutions and individuals have held over 40% of the shares since then.

Number of Shareholders



Shareholder Composition



* end of the month

* end of the month * "Others" includes treasury stock (3.33%)

Recent Major Shareholdings Report of SBIH Submitted by Foreign Investors

Shareholding entity		Report Obligation Incurred	Number of shares currently held (shares)	Currently held shares as pct. of the total outstanding shares of SBIH (%)
The Orbis Group (U.K.)	Orbis Investment Management (B.V.I.) Limited Orbis Investment Management Limited	Nov.19, 2008	2,031,092	12.12
		Feb. 2, 2012	↓ 4,556,916	↓ <u>20.36</u>
Reno	Reno, Inc Ms. Miura Megumi	Oct. 12, 2012	13,135,820	<u>5.85</u>

* The number of shares held and those as pct. of the total outstanding shares as of the dates of each report obligation incurred.

Changes in the Basic Dividend Policy and the Projected Dividend for FY2012 in Accordance with IFRS Adoption

[Prior Basic Dividend Policy]

Basic dividend payout ratio of 20-50% of consolidated net income



[New Basic Dividend Policy]

Minimum annual dividend payout of 10 yen per share, and will endeavor to increase dividends when it is determined that a further return of profits is possible.

The projected (paid) dividend

	End of 2Q	Year-end	Full year
FY2012 (projected)	—	<u>JPY 10</u>	<u>JPY 10</u>
FY2011 (paid) *	—	JPY 100	JPY 100

* Paid dividend per share for FY2011, did not take into account the 10-for-1 stock split implemented on October 1, 2012 as the effective date.

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