



*Strategic
Business
Innovator*

Investor FAQs

June 24, 2013

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SBI Holdings, Inc.

The items in this document are provided as information related to the financial results and 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 Mar. 31 of the following year

Recent Investor FAQs

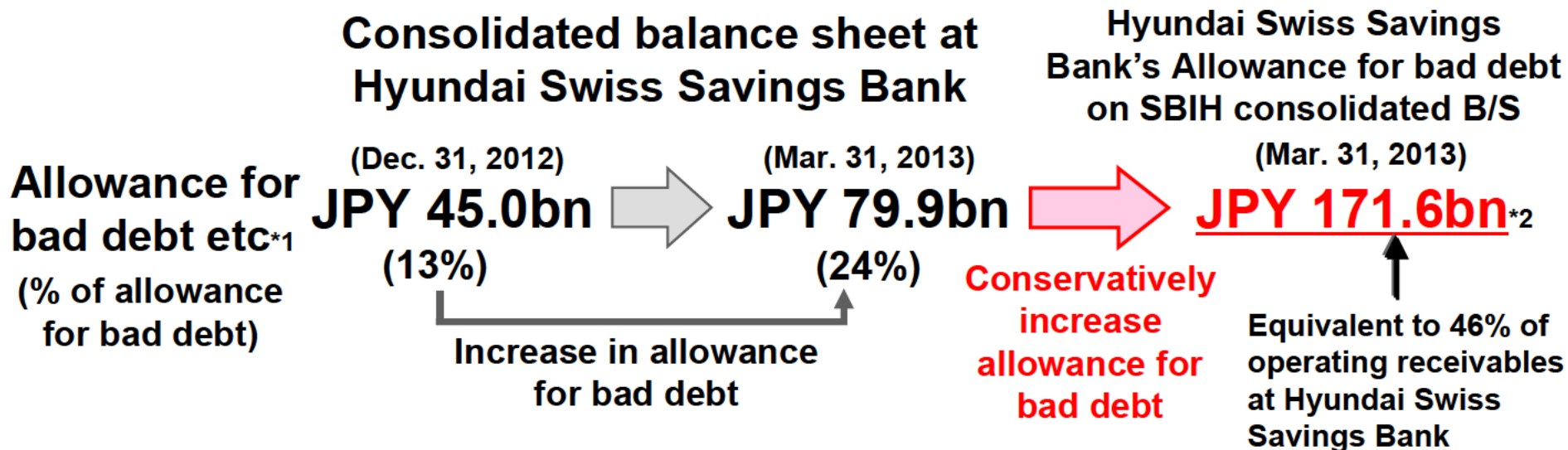
- 1. Is there a possibility that 1Q FY2013 financial results will record a significant loss, owing to Hyundai Swiss Savings Bank of Korea?**
- 2. What is ReproCELL's IPO effect on the performance?**
- 3. Which portfolio companies are the most promising biotechnology-related investee companies?**
- 4. What is the company's performance status, taking the first two months of the fiscal year, April and May, into consideration?**

1. Is there a possibility that 1Q FY2013 financial results will record a significant loss, owing to Hyundai Swiss Savings Bank of Korea?

Balance Sheet Impact from the Consolidation of Hyundai Swiss Savings Bank



- At the time of acquisition, SBI Holdings revalued the assets of Hyundai Swiss Group at the end of Mar. 2013, and factored in most of the future potential non-performing assets on a consolidated basis by significantly increasing the allowance for bad debt.



*1 Calculated by the exchange rate as of Mar. 31, 2013

*2 Includes allowance for bad debt to liquidated receivable

- Therefore, the consolidated profit before tax for 1Q FY2012 at Hyundai Swiss Savings Bank will be slightly positive.

2. What is ReproCELL's IPO effect on the performance?

The SBI Group is ReproCELL's Largest Shareholder

(Scheduled to be listed on JASDAQ on June 26, 2013)

Japan's first venture company related to iPS cells

<Business summary>

- Sale of reagent for ES/iPS cells
- Entrusted with drug development screenings and toxicity tests using ES/iPS cells
- Entrusted with sale of primary cultured cell for drug development and its toxicity tests

Licensed first from Prof. Yamanaka at Kyoto University in Apr. 2009, and marketed human iPS cells for cardiac myocyte as a first in the world.

Started sale of neurocyte originating in human iPS cells in Oct. 2010.

✓ Shares held by the SBI Group companies and its managing funds (*)

		Number of shares holding	(Ref.) Share
(Break down)	Direct share impact on consolidated performance	1,137,460	12.9%
	Indirect share impact on consolidated performance	455,590	5.2%
	Total	1,593,050	18.1%

News paper article

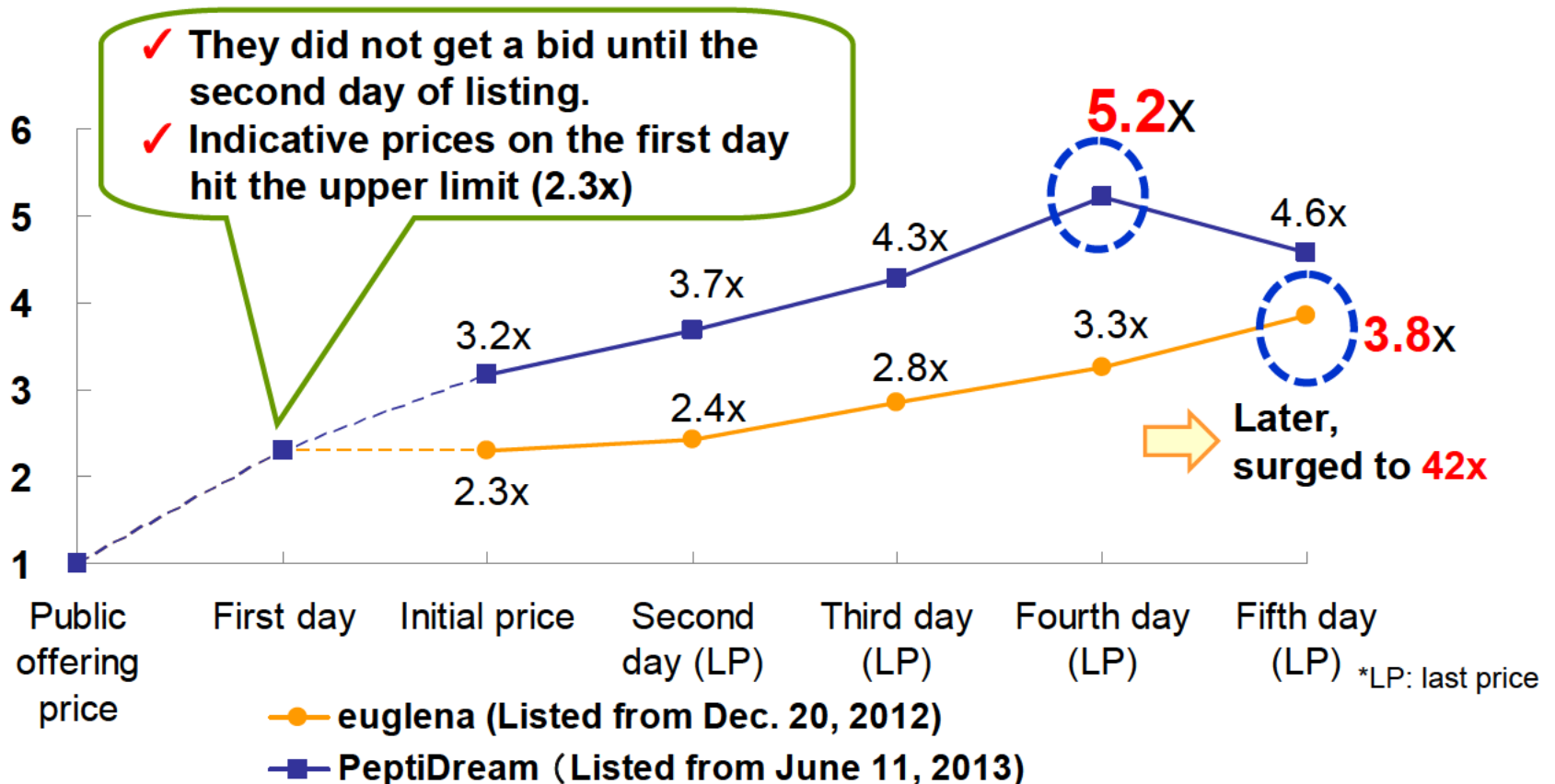
Jan. 29, 2013
"The Nikkei"
Morning Edition

*Source: ReproCELL Inc.'s securities report

Examples of Recently Listed Biotechnology Companies in the Spotlight

Recently listed biotechnology companies have started their initial trading at several times their public offering prices, and have continued to be very popular among individual investors.

Ratio of Initial Price to Public Offering Price



ReproCELL's Possible Price Based on the Recent Biotechnology Company IPO

	Ratio to Public Offering Price (x)	Stock price	Market cap
Public offering price	-	JPY 3,200	JPY 26.6bn
Indicative price when a bid is not made	2.35	JPY 7,520	JPY 62.4bn
Initial price (second day)	3.2*	JPY 10,240	JPY 85.1bn
Closing price (second day)	3.7*	JPY 11,840	JPY 98.4bn

*Applying the case of IPO of PeptiDream

3. Which portfolio companies are the most promising biotechnology-related investee companies?

Promising Investee Bio-venture Companies - i



Acucela Inc.

(Shares: 16.9%*,
the second largest shareholder)

IPO Target: within 2013

Lead manager:

Mitsubishi UFJ Morgan

Stanley Securities

“Considering the number of AMD patients of approximately 27 million people in the U.S., when ACU-4429 is approved as a drug, it will be a breakthrough in the drug development market which the western mega pharmaceutical companies dominate.”

(The Nikkei morning edition, Feb. 23, 2013)

<Acucela’s Pipelines>

Drug or project code (partners)	Adaptation disease	Current status
ACU-4429 (Otsuka Pharmaceutical)	Dry Age-related Macular Degeneration (AMD)	P2b/3 Clinical Trial Final trial
Rebamipide (Otsuka Pharmaceutical)	Dry Eye Syndrome	P3 Clinical Trial Final trial
OPA-6566 (Otsuka Pharmaceutical)	Glaucoma	P1/2 Clinical Trial

Newspaper article

(Extract from the book)

A drug to save 120 million people from blindness in the world

~Regenerative medicine for AMD will not be in practical use until far into the future, and currently there are not many effective therapeutic medicines available. Although there is an intraocular injection that is available, there is a significant cost burden for the patient, and it is only effective for "Wet AMD", which is the terminal phase of AMD that involves bleeding.

By contrast, we are developing a medicinal drink that targets "Dry AMD", which accounts for 90% of AMD patients. Such a remedy by a medicinal drink has never been previously approached.

If ACU-4429 is approved as a drug, the AMD market size is estimated to be at least at JPY 0.5tn, and possibly up to JPY 1.0tn.

Cover of
"Those who become
masters get bored more
easily"

(Written by Acucela's CEO
Mr. Kubota, ikkei Business
Publications.)

4. What is the company's performance status, when considering April and May, the first two months of the fiscal year?

April and May 2013 total performance by segment

	Cumulative profit before tax for Apr. and May (preliminary figures)
Financial Services Business	JPY 7.0bn
Asset Management Business (Profit and loss based on fair value of listed securities held)	JPY 14.0bn(*1)
Biotechnology-related Business	JPY -0.6bn(*2)

- *1 Includes profit of JPY 11.2bn from financial instruments which are listed securities measured at fair value through profit or loss as of the end of May.
As of June 20, with the gains on sales of investment securities of JPY 4.9bn, a total of approximately JPY 9.2bn.
In addition, 1Q FY2013 is expected to include valuation gains based on fair value for the IPO of ReproCELL.
- *2 For 1Q FY2013, there is a scheduled transference of a developing "seed" to a Japanese company in June, thus results are expected to be slightly positive.

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