SBI Holdings’ 15 Year Achievements Since Its Establishment, and the Next Phase Growth Strategy

March 5, 2014
Yoshitaka Kitao
Representative Director, President & CEO
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 March 31 of the following year
I. SBI Holdings’ 15 Year Achievements Since Its Establishment
II. SBI Group’s Next Phase Growth Strategy
I. SBI Holdings’ 15 Year Achievements Since Its Establishment
# SBI Holdings Today

<table>
<thead>
<tr>
<th>Establishment 1999</th>
<th>End of Dec. 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Officers and employees (cons.)</td>
<td>55</td>
</tr>
</tbody>
</table>
| Operating revenues (cons.) | 0 | 9M FY2013: JPY 177.2bn  
Peak time (FY2007): JPY 222.6bn |
| Consolidated subsidiaries | 0 | 141 companies |
| Publicly owned companies | 0 | 7 companies (including SBIH)  
Peak time: 11 (FY2007) |
| Capital | JPY 50m | JPY 81.7bn |
| Net assets | JPY 50m | JPY 394.2bn |
### The SBI Group’s Customer Base

#### Breakdown of the Customer Base

(As of the end of Dec. 2013)

<table>
<thead>
<tr>
<th>Service</th>
<th>(Thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBI SECURITIES (Accounts)</td>
<td>2,862</td>
</tr>
<tr>
<td>SBIH InsWeb (No. of customers)</td>
<td>5,854</td>
</tr>
<tr>
<td>E-LOAN (No. of customers)</td>
<td>1,473</td>
</tr>
<tr>
<td>Other financial websites (No. of customers)</td>
<td>26</td>
</tr>
<tr>
<td>MoneyLook (Total no. of customer registrations)</td>
<td>839</td>
</tr>
<tr>
<td>Morningstar Japan (New portfolio customer registrations)</td>
<td>115</td>
</tr>
<tr>
<td>SBI Card (Valid cards issued)</td>
<td>69</td>
</tr>
<tr>
<td>SBI Sumishin Net Bank (Accounts)</td>
<td>1,886</td>
</tr>
<tr>
<td>SBI Insurance (Total no. of contracts)</td>
<td>626</td>
</tr>
<tr>
<td>Autoc one (Total no. of service users in 2012)</td>
<td>950</td>
</tr>
<tr>
<td>Lifestyle-related websites (Ticket Ryutsu Center, muSBI.net) (Total no. of customer registrations)</td>
<td>1,307</td>
</tr>
<tr>
<td>Others (SBI Mortgage, etc.)</td>
<td>842</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16,849</strong></td>
</tr>
</tbody>
</table>

* 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

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Mar. 2009: 929.0
Mar. 2010: 1,041.9
Mar. 2011: 1,172.2
Mar. 2012: 1,305.9
Dec. 2013: 1,684.9
The SBI Group’s achievements

1. Based on fundamental business building concepts, dramatic growth was achieved in various financial businesses
   (1) Established a financial ecosystem and thoroughly pursued Group synergies
   (2) Earned high customer satisfaction through the adherence to the “Customer-centric Principle”
   (3) Attained No. 1 position in a diversity of businesses by implementing (1) and (2)
2. Made concentrated investments into growth industries of the 21st century as a “new industry creator,” and developed a number of IT and bio venture companies
3. Made the commitment to transform itself from “Japan’s SBI to the World’s SBI,” and accelerated the development of overseas businesses primarily in rapidly growing Asia, establishing a global investment structure

Future priorities to achieve further dramatic growth

1. Initiate the life insurance business to complete the domestic financial ecosystem, as well as to collaborate with the Group’s Asset Management Business and with the Biotechnology-related Business
2. Significantly increase the customer base through the strategic utilization of “Big Data” and the consequent appeal of the “Network Value”
3. Implement an online-to-offline strategy primarily at SBI MONEY PLAZA, in the quest to become Japan’s largest financial products distributor
4. Realize an early stage profitability in the Biotechnology-related Business, and accelerate overseas development of 5-ALA related business
5. Endeavor to actualize SBI’s business value
1. Based on fundamental business building concepts, dramatic growth was achieved in various financial businesses
The SBI Group’s Fundamental Business Building Concepts

(i) Formation of “Business Ecosystem” and Establishment of “Structural Differentiation”

(ii) Adherence to the “Customer-centric Principle”

(iii) Creation of a “Network Value”
(1) Established a financial ecosystem and thoroughly pursued Group synergies
The Business Ecosystem

The most desirable form of an organization that possesses the requisite efficiency and competitiveness in the pursuit of the realization of future financial services

A business ecosystem is an economic community based on the interaction of organizations and individuals.

In a business ecosystem, a company is not a member of one industry, but a company belongs to diverse industries. This relationship activates synergies and stimulates mutual growth.
Organizational View
Based on Complexity Knowing

Two complexity propositions

- The whole is greater than the sum of the parts.
- The whole has new qualities that an individual part cannot perceive.

A single-role enterprise cannot achieve its growth potential. To achieve growth potential through synergy effects and co-evolution, an enterprise must build a new type of organizational ecosystem.
Assembling and Expanding the Business Ecosystem Produces Positive Synergies among the Constituent Companies. This Process Also Creates a Mutual Evolution Process in Each Company’s Market to Support Rapid Growth.

**Growth potential: Great**

A “business ecosystem” in which a variety of constituent companies work together to achieve mutual evolution.

A company as a single economic entity

Growth potential: Small
SBI Group’s Establishment of a Financial Ecosystem

The SBI Group established a financial ecosystem by launching a variety of businesses, starting with the securities business and the establishment of joint ventures with prominent partners in the financial sector.

A globally unique Internet-based financial conglomerate that offers a one-stop service is established.
Examples of Affiliation Services:

1. **Aggregation functions**
   - Simultaneous display of accounts of SBI Sumishin Net Bank and SBI SECURITIES. Easy access to stock trading platform of SBI SECURITIES, with one click on the Bank’s stock information page.

2. **Automatic transfer services for additional margin deposits**
   - Automatic cash transfer from a yen savings account at SBI Sumishin Net Bank to an account at SBI SECURITIES when additional margin deposits are needed.

3. **SBI Hybrid Deposits (Automatic deposits and withdrawals of stock trading deposits)**
   - SBI Hybrid Deposit balance can be integrated into available deposit balance for stock trading, margin trading, and actual receipt of stock purchased at SBI SECURITIES.

4. **One-time account opening**
   - One-time account opening at both SBI Sumishin Net Bank and SBI SECURITIES.

Solid customer base of SBI SECURITIES contributes to an increase in the number of accounts and deposit amount at SBI Sumishin Net Bank.
Synergies Generated Soon After Start of Operations

Increase in liquidity of SBI LM that covers the transactions provides for profitable contributions to customers of both SBI SECURITIES and SBI FXTRADE.

- **SBI証券**
  - Customers with large size transactions
  - [Initial earnings estimate for FY2008]
  - Target for contributions to earnings from SBI LM: JPY 800m of operating income
  - Contributions to operating income from SBI LM: JPY 1,830m

- **SBI Liquidity Market**
  - Provides FX market infrastructure
  - [Initial earnings estimate for FY2008]
  - Targeted earnings of SBI LM: JPY 400m of operating income
  - Operating income for FY2008: JPY 840m

- **SBI FXTRADE**
  - Customers with small size frequent transactions
  - Achieved early profitability owing to further increased liquidity from attaining new customers
  - Elimination of cumulative loss in a little more than a year after its establishment

- **Started operation**
  - on Nov. 17, 2008
  - on May 30, 2012

Examples of synergy within the Group (2) Between SBI Liquidity Market and other companies.
Positive Synergies within the Group that Positively Affects SBI Insurance

The insurance comparison website, the online securities business, and other SBI Group companies, with their respective customer bases, become sales channels that exert synergy effects.

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**Websites for comparisons**

SBI Holdings
InsWeb

An insurance portal providing cost estimates and documents quickly upon request from neutral perspective

**Synergy**

InsWeb website accounts for **41.9%** of the new contracts via comparison websites

The SBI Group accounts for **28.8%** of the new contracts via agencies

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**Agencies**

SBI SECURITIES

SBI MONEY PLAZA

Autoc one

Agencies within the SBI Group

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*Subject: auto insurance; Period: 9 months FY2013 (Apr. - Dec. 2013)*
(2) Earned high customer satisfaction through the adherence to the “Customer-centric Principle”
SBI SECURITIES:

Adherence to the “Customer-centric Principle” – SBI SECURITIES

~Momentous Reduction of Brokerage Commissions~

SBI SECURITIES realized a momentous reduction of brokerage commissions by offering overwhelmingly low trading commissions

Change in commission rate of SBI SECURITIES

(Brokerage commissions / Brokerage trading value)

Commission rate comparison of five major online securities companies in 9 Months FY2013

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SBI</td>
<td>2.4</td>
<td>4.0</td>
<td>4.1</td>
<td>6.8</td>
<td>8.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rakuten</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kabu.com</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Matsui</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monex</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Compiled by SBI SECURITIES from financial results announcement materials and monthly disclosure reports of each company. Commissions are from earnings briefings.

*1 Major online securities companies refer to SBI SECURITIES, Rakuten Securities, kabu.com Securities, Monex and Matsui Securities

*2 Figures of Monex are based on commissions of Monex, Inc.’s commission figures
Example: Comparison of term deposit interest

### Average of 3 major city banks

<table>
<thead>
<tr>
<th>Term of deposit (year)</th>
<th>Less than JPY 3 million</th>
<th>Over JPY 3 million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Interest (%)</td>
<td>0.025</td>
<td>0.030</td>
</tr>
</tbody>
</table>

### SBI Sumisin Net Bank

<table>
<thead>
<tr>
<th>Term of deposit (year)</th>
<th>Less than JPY 3 million</th>
<th>Over JPY 3 million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Interest (%)</td>
<td>0.250</td>
<td>0.140</td>
</tr>
</tbody>
</table>

10 times

(*) Yearly rate, before taxes. As of Feb. 24, 2014. Based on SBIH’s research
SBI Insurance:

Adherence to the “Customer-centric Principle”
– SBI Insurance

~Outstanding Price Competitiveness~

In auto insurance premium rankings published in Mar. 2013, SBI Insurance ranks highest for representative examples of generations: age 26 (grade 6, new policy), age 35 (grade 6, new policy) and age 60 (grade 14, renewal).

The Diamond Weekly “Auto Insurance Premium Ranking”
(35-year-old, 6th class, New contracts)

<table>
<thead>
<tr>
<th>Company</th>
<th>Car insurance premium (JPY)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 SBI Insurance #</td>
<td>31,350</td>
</tr>
<tr>
<td>2 Saison Automobile &amp; Fire Insurance</td>
<td>36,250</td>
</tr>
<tr>
<td>3 American Home Direct</td>
<td>36,510</td>
</tr>
<tr>
<td>4 Secom General Insurance</td>
<td>37,130</td>
</tr>
<tr>
<td>5 E.Design Insurance #</td>
<td>38,540</td>
</tr>
<tr>
<td>6 Mitsui Direct #</td>
<td>39,350</td>
</tr>
<tr>
<td>7 AXA GENERAL INSURANCE #</td>
<td>43,210</td>
</tr>
<tr>
<td>8 Zurich Insurance</td>
<td>46,560</td>
</tr>
<tr>
<td>9 Sonpo 24 #</td>
<td>47,600</td>
</tr>
<tr>
<td>10 Sony Assurance #</td>
<td>53,810</td>
</tr>
<tr>
<td>11 Mitsui Sumitomo Insurance</td>
<td>55,320</td>
</tr>
<tr>
<td>12 Aioi Nissay Dowa Insurance</td>
<td>55,910</td>
</tr>
</tbody>
</table>

(Source: Excerpt from “The Diamond Weekly Mar. 9, 2013”)

*Insurance Premium Terms and Conditions
  - Vehicle type: Toyota Prus / Model: ZVW30 (new vehicle discount applied)
  - Policy start date: Mar. 1, 2013 (1-year policy, lump-sum payment)
  - Policyholder: individual (male)
  - Age/grade conditions: age of insured person: 35 (compensation for age 35 and above), gold driver’s license, grade 6, new policy
  - Purpose of use: daily use/leisure
  - Annual driving distance: 10,000 km
  - Bodily injury/property damage coverage: unlimited (zero deductible)
  - Vehicle damage: not covered
  - Personal injury: 50 million yen, accidents outside the vehicle also compensated
  - Passenger injury: not covered (additional coverage of 5 million yen for Zurich only)
  - Drivers: policyholder and spouse only (spouse’s age and driver’s license color the same as those of the policyholder)
  - Discounts: Long-term discount and user restriction discount not applied
  - Other: Tokyo residence, no accident in past 5 years
  *Application of Internet discount: SBI, American Home, Secom, Saison, Mitsui Direct, E-design, Zurich, AXA, Sony
  *Application of policy non-issuance discount: SBI, American Home, Secom, Saison, Mitsui Direct, E-design, Zurich, NIPPONKOA
  *Application of prior-year accident discount: E-design, Saison, Sonpo24, Mitsui Direct
## Customer Satisfaction Assessment (SBI SECURITIES)

### 1st "Oricon customer satisfaction ranking" of 2014
[Online securities comprehensive ranking]

**<Evaluation item>**
- 12 items, such as “commissions & dealing cost,” “easy account opening,” “variety of products,” “provision of Information” and “analytics tools,” etc.

### Customer Service Center

- **HDI (Help Desk Institute) Certification in 2013**
  [Securities Industry]
  “Call-center Contact Ranking”
  Achieved the highest rank “three stars”

- **Highest Award for the Category**
  “CCJA 2013” (10th Call Center Award)
  Received the highest award for “Best Operation” category

- **Award for Excellence**
  Japan Telecom Users Association
  17th Corporate Telephone Response Contest in 2013

### Official Website

- **HDI (Help Desk Institute) Certification in 2013**
  [Securities Industry]
  “Support Portal Raking (Official Website)”
  Achieved the highest rank “three stars”

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*For 8 years!!*

*For 4 years!!*

*For 3 years!!*

*4th time 3 years in a row!!*
Customer Satisfaction Assessment (SBI Sumishin Net Bank)

1st JCSI Customer Satisfaction Survey (Japanese Customer Satisfaction Index) Banking industry

1st J.D. Power "Japan Investor Satisfaction Study" Self-Directed Bank Segment *

1st "10th Nikkei Financial Institution Ranking" Customer Satisfaction by generations, 20s and 30s

* Source: J.D. Power Asia Pacific 2013 Japan Investor Satisfaction Study™
This result was obtained from 3,224 respondents who uses investment services of Self-Directed Bank Segment.

"The wide selection of loan products and other products contributes to the high rating. The bank’s most favorable interest rate on fixed-rate housing loans is 1.28% (offered in January), the industry’s lowest. The bank also offers many original services unique to an Internet bank, such as advanced repayment with no fees starting from one yen." (Source: Nikkei Veritas, Issue 307)
SBI Insurance:

Customer Satisfaction Assessment (SBI Insurance)

SBI損保の自動車保険  Auto Insurance

1st Diamond Weekly  “Auto Insurance Premium Ranking”  * In the Mar. 9, 2013 special issue  For 5 years !

1st Rakuten Insurance / Ranking of Most Popular Auto Insurance the First Half of FY2013  For 5 years !

1st Oricon customer satisfaction ranking FY2014 Auto Insurance Category “Auto Insurance Premium Ranking”  For 5 years !

1st Kakaku.com / Auto Insurance Satisfaction Ranking (2013) Premium Section  For 4 years !

Official Website

HDI-Japan HDI’s Call-center Customer Satisfaction Ratings 2013 Top “three-star” rating in the Support Portal (Official Website) Category  For 2 years !
(3) Attained No. 1 position in a diversity of businesses by implementing (1) and (2)
SBI SECURITIES:

Attained No. 1 Position in a Diversity of Businesses – SBI SECURITIES

~Secured an overwhelming No. 1 ranking in the share of individual stock trading~

Share of Individual Stock Trading Value (%)
9 months FY2013
(Apr.-Dec. 2013)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Others</td>
<td>25.6%</td>
<td>30.1%</td>
</tr>
<tr>
<td>Monex</td>
<td>6.6%</td>
<td>7.0%</td>
</tr>
<tr>
<td>kabu.com</td>
<td>7.5%</td>
<td>7.4%</td>
</tr>
<tr>
<td>Matsui</td>
<td>10.5%</td>
<td>15.1%</td>
</tr>
<tr>
<td>SBI</td>
<td>34.7%</td>
<td>33.0%</td>
</tr>
</tbody>
</table>

(of which) Share of Individual Margin Trading Value (%)
9 months FY2013
(Apr.-Dec. 2013)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Others</td>
<td>21.5%</td>
<td>26.9%</td>
</tr>
<tr>
<td>Monex</td>
<td>6.1%</td>
<td>6.7%</td>
</tr>
<tr>
<td>kabu.com</td>
<td>8.5%</td>
<td>9.1%</td>
</tr>
<tr>
<td>Matsui</td>
<td>11.9%</td>
<td>7.5%</td>
</tr>
<tr>
<td>SBI</td>
<td>36.6%</td>
<td>34.4%</td>
</tr>
<tr>
<td>Rakute</td>
<td>15.4%</td>
<td></td>
</tr>
</tbody>
</table>

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

Attained No. 1 Position in a Diversity of Businesses – SBI SECURITIES

~No. 1 in number of accounts and total customer assets among the 5 major online securities companies~

Customer Accounts of 5 Online Securities Companies (as of the end of Dec. 2013)

<table>
<thead>
<tr>
<th>Company</th>
<th>Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBI</td>
<td>2,862,294</td>
</tr>
<tr>
<td>Rakuten</td>
<td>1,569,195*</td>
</tr>
<tr>
<td>Matsui</td>
<td>920,698</td>
</tr>
<tr>
<td>Monex</td>
<td>884,414</td>
</tr>
<tr>
<td>kabu.com</td>
<td>855,298</td>
</tr>
</tbody>
</table>

Customers’ Deposit Assets of 5 Online Securities Companies (as of the end of Dec. 2013)

<table>
<thead>
<tr>
<th>Company</th>
<th>Deposit Assets (JPY trillion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBI</td>
<td>7.9</td>
</tr>
<tr>
<td>Monex</td>
<td>3.3</td>
</tr>
<tr>
<td>Rakuten</td>
<td>2.8</td>
</tr>
<tr>
<td>Matsui</td>
<td>2.1</td>
</tr>
<tr>
<td>kabu.com</td>
<td>1.8</td>
</tr>
</tbody>
</table>

* The figure of Rakuten is that of the end of Sept. 2013. The figure as of the end of Dec. is not disclosed.

Source: Compiled by SBIH from the information on websites of each company.
<table>
<thead>
<tr>
<th>Bank</th>
<th>Date of operation started</th>
<th>Deposit amount</th>
<th>Balance of loans</th>
<th>Number of accounts</th>
<th>Ordinary income/loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBI Sumishin (cons.)</td>
<td>Sept. 2007</td>
<td>3,306.0</td>
<td>1,259.0</td>
<td>1,886 (22.0)</td>
<td>8.1 (63.5)</td>
</tr>
<tr>
<td>Daiwa Next</td>
<td>May 2011</td>
<td>2,357.6</td>
<td>98.3</td>
<td>865 (29.7)</td>
<td>3.1 (40.6)</td>
</tr>
<tr>
<td>Sony Bank (cons.)</td>
<td>June 2001</td>
<td>1,857.4</td>
<td>1,025.1</td>
<td>940 (3.3)</td>
<td>5.3 (82.6)</td>
</tr>
<tr>
<td>Rakuten (cons.)</td>
<td>July 2001</td>
<td>1,008.8</td>
<td>239.5</td>
<td>4,506 (8.0)</td>
<td>5.5 (-20.6)</td>
</tr>
<tr>
<td>Jibun</td>
<td>July 2008</td>
<td>560.0</td>
<td>69.4</td>
<td>1,595 (8.9)</td>
<td>1.5 (13.3)</td>
</tr>
<tr>
<td>The Japan Net</td>
<td>Oct. 2000</td>
<td>541.0</td>
<td>32.3</td>
<td>2,563 (5.2)</td>
<td>4.1 (179.3)</td>
</tr>
</tbody>
</table>

Note: Amounts are rounded to the nearest 100 million yen or thousand accounts. The number of accounts is as of the end of Dec. 2013. The number of accounts for Sony Bank is as of the end of Sept. 2013.
### SBI Insurance:

**Attained No. 1 Position in a Diversity of Businesses**

~Steadily growing to become No. 1 in auto insurance premiums among the major direct insurance companies~

<table>
<thead>
<tr>
<th></th>
<th>Date of operation started</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sony Assurance</strong></td>
<td>Sept. 1999</td>
<td>65,516</td>
<td>70,712</td>
<td>74,406</td>
</tr>
<tr>
<td><strong>AXA GENERAL INSURANCE</strong></td>
<td>July 1999</td>
<td>33,271</td>
<td>35,261</td>
<td>38,136</td>
</tr>
<tr>
<td><strong>Mitsui Direct</strong></td>
<td>June 2000</td>
<td>32,688</td>
<td>33,830</td>
<td>34,735</td>
</tr>
<tr>
<td>*<em>Zurich Insurance <em>1</em></em></td>
<td>July 1986</td>
<td>27,931</td>
<td>30,126</td>
<td>31,364</td>
</tr>
<tr>
<td><strong>American Home Direct</strong></td>
<td>Dec. 1960</td>
<td>17,143</td>
<td>16,594</td>
<td></td>
</tr>
<tr>
<td><strong>Sonpo 24</strong></td>
<td>Mar. 2001</td>
<td>10,697</td>
<td>11,810</td>
<td>12,890</td>
</tr>
<tr>
<td><strong>SBI Insurance</strong></td>
<td>Jan. 2008</td>
<td>10,069</td>
<td>14,288</td>
<td>19,501</td>
</tr>
<tr>
<td><strong>E.design Insurance</strong></td>
<td>June 2009</td>
<td>2,856</td>
<td>5,213</td>
<td>10,893</td>
</tr>
</tbody>
</table>

*Direct net premiums written. (Source: Disclosure from each company)*

*1 Figures for Zurich Insurance are of Japan Branch, including underwritten reinsurance premium. *2 Figures for E.design are net premiums written.
### Customers’ Deposit Assets (JPY million)

<table>
<thead>
<tr>
<th>No.</th>
<th>Company name</th>
<th>Amount</th>
<th>MoM change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SBI Group</td>
<td>130,874</td>
<td>2,026</td>
</tr>
<tr>
<td>2</td>
<td>Gaitame.com</td>
<td>101,688</td>
<td>-2,747</td>
</tr>
<tr>
<td>3</td>
<td>GMO CLICK</td>
<td>92,868</td>
<td>250</td>
</tr>
<tr>
<td>4</td>
<td>CyberAgent FX</td>
<td>79,902</td>
<td>-578</td>
</tr>
<tr>
<td>5</td>
<td>DMM.com</td>
<td>76,321</td>
<td>-78</td>
</tr>
<tr>
<td>6</td>
<td>Central Tanshi FX</td>
<td>53,336</td>
<td>-435</td>
</tr>
<tr>
<td>7</td>
<td>MONEY SQUARE JAPAN</td>
<td>50,312</td>
<td>1,113</td>
</tr>
<tr>
<td>8</td>
<td>MONEY PARTNERS</td>
<td>43,797</td>
<td>-382</td>
</tr>
<tr>
<td>9</td>
<td>Hirose FX</td>
<td>21,475</td>
<td>-238</td>
</tr>
<tr>
<td>10</td>
<td>FX PRIME by GMO Corporation</td>
<td>15,059</td>
<td>-49</td>
</tr>
<tr>
<td>11</td>
<td>Traders Securities</td>
<td>13,471</td>
<td>-52</td>
</tr>
<tr>
<td>12</td>
<td>Ueda Harlow</td>
<td>12,045</td>
<td>-56</td>
</tr>
<tr>
<td></td>
<td>Others (2 companies)</td>
<td>54,826</td>
<td>742</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>745,974</td>
<td>-484</td>
</tr>
</tbody>
</table>

### Number of FX Trading Accounts (Accounts)

<table>
<thead>
<tr>
<th>No.</th>
<th>Company name</th>
<th>Number of accounts</th>
<th>MoM change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>SBI Group</td>
<td>438,473</td>
<td>11,349</td>
</tr>
<tr>
<td>2</td>
<td>Gaitame.com</td>
<td>374,816</td>
<td>1,502</td>
</tr>
<tr>
<td>3</td>
<td>DMM.com</td>
<td>363,087</td>
<td>3,865</td>
</tr>
<tr>
<td>4</td>
<td>GMO CLICK</td>
<td>323,646</td>
<td>3,285</td>
</tr>
<tr>
<td>5</td>
<td>CyberAgent FX</td>
<td>272,512</td>
<td>2,685</td>
</tr>
<tr>
<td>6</td>
<td>MONEY PARTNERS</td>
<td>230,717</td>
<td>1,513</td>
</tr>
<tr>
<td>7</td>
<td>Traders Securities</td>
<td>213,646</td>
<td>1,408</td>
</tr>
<tr>
<td>8</td>
<td>Hirose FX</td>
<td>158,344</td>
<td>1,108</td>
</tr>
<tr>
<td>9</td>
<td>FX PRIME by GMO Corporation</td>
<td>143,805</td>
<td>850</td>
</tr>
<tr>
<td>10</td>
<td>Central Tanshi FX</td>
<td>141,591</td>
<td>416</td>
</tr>
<tr>
<td>11</td>
<td>MONEY SQUARE JAPAN</td>
<td>63,728</td>
<td>830</td>
</tr>
<tr>
<td>12</td>
<td>Ueda Harlow</td>
<td>48,913</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>Others (2 companies)</td>
<td>288,340</td>
<td>2,005</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3,061,618</td>
<td>30,855</td>
</tr>
</tbody>
</table>

2. Made concentrated investments into growth industries of the 21st century as a “new industry creator,” and developed a number of IT and bio venture companies
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.

Initiatives as a “New Industry Creator”
~Concentrated Investments into Growth Industries of the 21st Century~

(i) Internet
Investing a total of over JPY 292.5bn* in 457 companies through IT-related VC funds.

(ii) Biotechnology and Life Science
Investing a total of over JPY 25.7bn* in 59 companies through Biotechnology and Life Science-related VC funds.

(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.

(* Based on commitment amount of funds managed by the SBI Group since its establishment in 1999)

Cumulative Investment

<table>
<thead>
<tr>
<th>No. of Companies Invested in</th>
<th>Japan</th>
<th>Overseas</th>
</tr>
</thead>
<tbody>
<tr>
<td>928</td>
<td>663</td>
<td>265</td>
</tr>
</tbody>
</table>

EXITs (IPO, M&A)

<table>
<thead>
<tr>
<th>No. of Companies EXITed:</th>
</tr>
</thead>
<tbody>
<tr>
<td>158</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Japan</th>
<th>Overseas</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPO</td>
<td>M&amp;A</td>
</tr>
<tr>
<td>75</td>
<td>15</td>
</tr>
<tr>
<td>IPO</td>
<td>M&amp;A</td>
</tr>
<tr>
<td>47</td>
<td>21</td>
</tr>
</tbody>
</table>

(As of the end of Mar. 2013)

➢ EXIT ratio is **17.0%**
➢ Average IRR of funds matured since 2000 is **17.7%**
Focused Investments into Biotechnology as a New Growth Field

Since its establishment, through the operation of VC funds, SBI has endeavored to invest in and incubate numerous venture companies focused on the IT and Biotechnology sectors

[Major bio-venture investee companies]

① euglena Co., Ltd. (Listed on TSE Mothers on Dec. 20, 2012)
(Shares held by funds, including non-consolidated funds, managed by the SBI Group (at its listing): 16.3%, the second largest shareholder) *
A bio-venture company that researches, develops, produces and markets microalgae, with a strong focus on euglena.

Invested: JPY 0.27bn → Sales proceeds: JPY 1.8bn

② ReproCELL Inc. (Listed on JASDAQ on June 26, 2013)
(Shares held by funds, including non-consolidated funds, managed by the SBI Group (at its listing): 18.1%, the largest shareholder) *
Japan’s first venture company involved with iPS cells

Invested: JPY 0.23bn → Sales proceeds + market value of remaining shares: JPY 10.8bn (as of Feb. 28, 2014)

③ Acucela Inc. (U.S.) (Listed on TSE Mothers on Feb. 13, 2014)
(Shares held by funds, including non-consolidated funds, managed by the SBI Group (at its listing): 21.8%, the second largest shareholder)
A clinical-stage biotechnology company that specializes in discovering and developing novel therapeutics to treat and slow the progression of sight-threatening ophthalmic diseases impacting millions of individuals worldwide

Invested: JPY 3.0bn → Current market value of shares held: JPY 17.8bn (as of Feb. 28, 2014)

*Source: Securities report of each company
SBI Itself Enters into the Biotechnology Business, a Designated Next Generation Growth Sector

Biotechnology venture firms were established in and after 2007, and subsequently directly involved in the biotechnology business

Jan. 2007~
Enters drug creation business

SBI Biotech
Joint drug creation bio-venture firm with partners across Japan, the U.S., China, South Korea and Israel
In preparation for an IPO in 2014

Apr. 2008~
5-ALA (5-aminolevulinic acid) related businesses

SBI Pharma
The world’s first pharmaceutical company engaged in the development of drugs, and the manufacturing and sales of cosmetics and health foods using 5-ALA.

SBI ALApromo
Distributor of cosmetics, health foods using 5-ALA (Apr. 2012~)

Clinical studies and trials with leading alliance partners both inside and outside of Japan have made progresses. SBI Pharmaceuticals endeavors to provide pharmaceuticals that satisfy the unmet medical needs of as many people as possible around the world.
Development of 5-ALA Related Businesses

The 5-ALA Related Business that the SBI Group is Exclusively Developing Globally (Drugs, Health Food and Cosmetics)

5-ALA = 5-aminolevulinic acid (a 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.

<Organizational system for the 5-ALA related business>

Pharmaceutical company

Obtaining a license to manufacture and sell Class 1 OTC drugs

Promotes overseas expansion of drug development in collaboration with multiple institutions in various fields, as well as the overseas development of the health foods and cosmetics business

Distributor

Focuses on expanding sales of health foods and cosmetics in Japan

In the medical area utilizing 5-ALA, launched an intraoperative diagnostic agent for malignant glioma in Sept. 2013
3. Made the commitment to transform itself from “Japan’s SBI to the World's SBI,” and accelerated the development of overseas businesses primarily in rapidly growing Asia, establishing a global investment structure
Japan’s Trend Toward Monetization from Income Balance Rather Than from Trade Balance

Change in Trade Balance and Income Balance of Japan (1985-2013)

- **End of trading nation**
- **Toward investing nation**

Accelerated overseas development, owing to the occurrence of the inversion of income balance over trade balance in 2005

Source: Compiled by SBIH from "Japan's Balance of Payments" (Ministry of Finance)
Establishment of Global Investment Structure Centering on Asia

Established global investment structure through formation of JV funds with local partners such as financial institutions, government agencies and universities.
Globally Diversified AUM in Asia, the U.S. and Europe

AUM of the Group (Europe) JPY 1.5bn

AUM of the Group (Asia excluding Japan and Middle East, etc.) JPY 62.0bn

AUM of the Group (U.S.) JPY 22.0bn

Overseas AUM accounts for 43.4%, or close to half of the total AUM

*The asset under management that is already invested as of the end of Dec. 2013. (Excluding cash and uncalled capital)
Under the Alliances with Prominent Local Partners, the SBI Group Has Advanced the Overseas Development of Its Various Financial Services

Investments in overseas financial institutions primarily in Asia*

*as of the end of Jan. 2014

- **YAR-BANK (formerly OBI BANK)**
  - Bank
  - (Changed name on Feb. 15, 2013)
  - (50.0% shareholding)
  - Commercial Bank under METROPOL Group

- **TPBank (formerly Tien Phong Bank)**
  - Bank
  - (19.9% shareholding)

- **BNI Securities**
  - Securities
  - (25.0% shareholding)

- **SW Kingsway**
  - Securities
  - (2.8% shareholding)

- **SBI Royal Securities**
  - Securities
  - (81.6% shareholding)
  - Formed by merger of SBI Phnom Penh Securities and Cambodian Capital Securities, the Royal Group’s securities unit

- **SBI Savings Bank**
  - Bank
  - (formerly Hyundai Swiss Saving Bank)
  - (95.4% shareholding)
  - Largest savings bank in Korea

- **Tianan Insurance**
  - Nonlife Insurance
  - (3.0% shareholding)

- **TPBank (formerly Tien Phong Bank)**
  - Bank
  - (19.9% shareholding)

- **FPT Securities**
  - Securities
  - (20.0% shareholding)

- **Phnom Penh Commercial Bank**
  - Bank
  - (47.6% shareholding)

- **SBI’s shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group.**
II. SBI Group’s Next Phase Growth Strategy

“Future priorities to achieve further dramatic growth”
“Future Priorities to Achieve Further Dramatic Growth”

1. Initiate the life insurance business to complete the domestic financial ecosystem, as well as to collaborate with the Group’s Asset Management Business and with the Biotechnology-related Business

2. Significantly increase the customer base through the strategic utilization of “Big Data” and the consequent appeal of the “Network Value”

3. Implement an online-to-offline strategy primarily at SBI MONEY PLAZA, in the quest to become Japan’s largest financial products distributor

4. Realize an early stage profitability in the Biotechnology-related Business, and accelerate overseas development of 5-ALA related business

5. Endeavor to actualize SBI’s business value
1. Initiate the life insurance business to complete the domestic financial ecosystem, as well as to collaborate with the Group’s Asset Management Business and with the Biotechnology-related Business

(1) By Undertaking the Life Insurance Business, the Financial Ecosystem will be Completed

(2) Enhancing Asset Management Capacity

(3) Implementing collaborations with the Biotechnology-related Business primarily in 5-ALA Related Business
(1) By Undertaking the Life Insurance Business, the Financial Ecosystem will be Completed

Establishing a financial ecosystem, composed of the three core businesses of securities, banking and insurance, that thoroughly pursues Group synergies.

- **Securities**
  - SBI証券 [SBI SECURITIES]
  - + Supporting businesses

- **Bank**
  - SBI Sumishin Net Bank
  - + Supporting businesses

- **Insurance**
  - Life Insurance Company
  - <Life insurance>
  - <Nonlife insurance>
  - <Small amount and short term Insurance>
  - + Supporting businesses

Missing piece for the completion of the financial ecosystem
Announced Share Acquisition of PCA Life Insurance

The total share acquisition of PCA Life Insurance, the Japanese arm of Prudential plc, for USD 85m was announced on July 16, 2013, subject to the authorization or permission to be granted by the relevant authorities in Japan.

PCA Life Insurance

- Offer various life insurance products, including health insurance, annuities, and death insurance.
- Writing of new policies has been suspended since February 2010.

[Business results]

<table>
<thead>
<tr>
<th></th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary revenues</td>
<td>30,240</td>
<td>32,363</td>
<td>30,828</td>
</tr>
<tr>
<td>Ordinary profit</td>
<td>1,292</td>
<td>2,348</td>
<td>4,199</td>
</tr>
<tr>
<td>Net income</td>
<td>775</td>
<td>2,147</td>
<td>4,088</td>
</tr>
</tbody>
</table>

(Reference) Comparison with other insurers that use the Internet as their main sales channel

<table>
<thead>
<tr>
<th></th>
<th>PCA Life</th>
<th>LIFENET</th>
<th>AXA Direct Life</th>
<th>Rakuten Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>(JPY million, thousand contracts)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary profit</td>
<td>4,199</td>
<td>-23</td>
<td>-1,700</td>
<td>2,090</td>
</tr>
<tr>
<td>Total assets</td>
<td>170,397</td>
<td>20,450</td>
<td>12,858</td>
<td>27,433</td>
</tr>
<tr>
<td>Number of insurance contracts</td>
<td>130</td>
<td>170</td>
<td>50</td>
<td>660</td>
</tr>
</tbody>
</table>

FY2012 (Source: Disclosure from each company)
The Number of New Contracts at Two Pure-Play Internet Insurance Companies Reaches the Limit

(1) By Undertaking the Life Insurance Business, the Financial Ecosystem will be Completed

- LIFENET began insurance solicitation through affiliated agencies in Feb. 2013.
- AXA Direct Life has partnered with several regional banks and began sequentially selling insurance at bank service counters from Jan. 2014.

(Source: Disclosure from each company)
Scenario for Expansion into the Life Insurance Business*

*Assuming approval and licensing by the authorities

Since operating as a pure-play Internet insurer would limit potential to sustain growth, the expansion scenario assumes utilization of both Internet and face-to-face sales channels from the start.

(1) By Undertaking the Life Insurance Business, the Financial Ecosystem will be Completed

**Maximum Utilization of Each of the Group’s Sales Channels**

**Internet channel**

- Website for comparisons
  - [SBI Holdings InsWeb]

- Agencies within the SBI Group
  - [SBI SECURITIES]
  - [IKIIKI SEDAI]
  - [SBI SSI]

**Call Center**

- NEWTON FINANCIAL CONSULTING
  - (Shares by the SBI Group: 29.1%)
  - Financial Agency (Shares: 34.4%)

**Insurance Shop**

- SBI MONEY PLAZA
  - MITSUBACHIHIHOKEN GROUP
  - (Shares by the SBI Group: 45.6%)
  - IRRC Corporation (Shares: 32.0%)
  - WebCrew (SBIH’s business partner)

* SBI’s shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group.
(2) Enhancing Asset Management Capacity

With the alignment of companies within the Group, including the life insurance company (*assuming approval and licensing by the authorities), that requires asset management capabilities, structural changes will be made through the reorganization and the strengthening of the asset management unit, so that sophisticated proprietary products such as structured bonds may be offered.

SBI Group companies that provide know-how and specialists for fund management capabilities:

- **Investment**: Investment in unlisted and listed companies
- **Holdings**: Real estate investment / Overseas investment
- **Morningstar**: Investment adviser
- **Asset Management**: Investment management company
- **Capital**: Buyout investment
- **Arson Research**: Alternative investment
- **Estate Management**: Real estate investment
- **Life Living**: Real estate investment
- **Mortgage**: Securitization of housing loan bonds

**Primary fund management methods:**
Cash / Equity / Debt / Real estate / Alternative investments

**Providing products and ideas for fund management**

**Example:**
- **Low premium**
- **High dividend**

**Virtuous circle through advanced fund management structure**

**Policyholders**

*(Assuming approval and licensing by the authorities)*
(3) Implementing Collaborations with the Biotechnology-related Business Primarily in 5-ALA Related Business

The Group companies: SBI Pharmaceuticals, SBI ALApromo etc.

An example of services utilizing the synergy:
A bio-technology company offers exclusive services and products to insurance policyholders*

Owing to the Biotechnology-related business’ contribution to the health of the insurance policyholders, the insurance companies may reduce insurance payouts, creating the possibility of a win-win situation for both policyholders and the SBI Group

*Under presumption of discussion with the concerning authorities
2. Significantly increase the customer base through the strategic utilization of “Big Data” and the consequent appeal of the “Network Value”
From Pursuit of Value to Pursuit of Network Value

Pursuit of Price

Cheap product
Cheap service

A  B  C

Pursuit of Value

Simple principle value of a product or a service

Pursuit of Network Value

Create added value for customers by offering combined information and asset services
Network Value Creation

Example: “We want to buy a car”

We want to buy a car.

Car purchase information

Auto loan information

Information of various financial products needed with car purchase

Auto insurance information

Parking information, etc.

Car leasing/selling information

SBI Insurance

Example: “We want to buy a car”

AUTO SERVER

Bidding agency service for used car auctions

E-LOAN

Information of various financial products needed with car purchase

Parking information, etc.

Car leasing/selling information

SBI Insurance

Exchange information such as parking information between users

SBI AutoSupport

Provide service through used car dealers, whereby used car purchasers may access low cost financial services on a "one-stop basis" (SBI Insurance’s auto insurance agency)

Strategically enhancing “network value” through effective use of Big Data within the Group, such as reciprocal customer transfers
The “Network Value” Appeal through the Strategic Utilization of Big Data to Thoroughly Pursue Group Synergies

Customers’ data from respective services of the SBI Group will be centralized and analyzed as “Group Big Data” to offer best services and to achieve further customer satisfaction and customer base expansion.

Number of page views by the Group’s 16.85 million customers is 630 million per month (as of Dec. 2013), and a cross-sectional utilization of the Group’s Big Data will become possible through the detailed analysis of this data.
Make “Big Data” into “Bigger Data” through Partnerships with Companies in Other Industries

Move forward with inter-industry alliances with companies outside the Group, and through the mutual utilization of the respective customer bases, reciprocal customer transfer and expansion of the customer base will be pursued.
By Utilizing Big Data, Realize a Business Ecosystem that Transcends the Existing Financial Ecosystem

Company A in another industry

Company B in another industry

Company C in another industry

Company D in another industry
3. Implement an online-to-offline strategy primarily at SBI MONEY PLAZA, in the quest to become Japan’s largest financial products distributor
Integration of Online and Face-to-face Services is Essential to Realize the True Customer-centric Principle

There are demands for face-to-face consulting for complicated and high-price financial products and customers unfamiliar to the Internet.

- **Face-to-face**: Sales reps deal with financial products which require detailed explanations.
- **Online**: Supplying a wide range of plain financial products online.

- Customers
  - Unfamiliar to the Internet
  - Having good command of the Internet
  - Complicated
  - Simple
Implement an online-to-offline strategy with SBI MONEY PLAZA as a common infrastructure, and continue its quest to become Japan's largest financial products distributor that offers products from both within and outside of the Group on a neutral basis.
A Vision of “SBI MONEY PLAZA”

Developed a financial one-stop service at bricks-and-mortar shops, which handles various financial products both within and outside of the SBI Group (from 2007)

- Mortgage
- Life Insurance
- Securities Agency

Want to review insurance at the same time
Want to get a housing loan
Need asset management consulting

Complete at “One-stop”

Customers’ diverse needs

Targeting expansion of shops network to 500
(Currently 330 shops as of Dec. 31, 2013)
SBI MONEY PLAZA Shops Network

Making Mitsubachi Insurance and Insurance Clinic shops, both operated by SBI Group’s portfolio companies, to SBI MONEY PLAZA shops sequentially, thereby further expanding shops network.

- SBI MONEY PLAZA
  - Hoken no Madoguchi, Minnano Hoken Plaza and Hoken no Senmonten (HOKEN NO MADOGUCHI GROUP INC.)
  - SBI MONEY PLAZA includes shops that are not insurance dealers.

- Mitsubachi Insurance (MITSUBACHIHOKEN GROUP)
  - SBI’s Shareholding: 45.6%

- Insurance Clinic (IRRC Corporation)
  - SBI’s Shareholding: 32.0%

*1 As of Dec. 31, 2013. Compiled by SBIH.
*2 SBI MONEY PLAZA includes shops that are not insurance dealers.
*3 The number of Mitsubachi Insurance shops are added after subtracting the number of shops that already carry the SBI MONEY PLAZA brand (32 shops as of Dec. 31, 2013).
4. Realize an early stage profitability in the Biotechnology-related Business, and accelerate overseas development of 5-ALA related business

(1) SBI Biotech

(2) 5-ALA Related Business
# SBI Biotech's R&D Progress in the Medical Field
(Shares: 77.25%)

~Planning to go public in 2014 (Lead manager: Mizuho Securities)~

<table>
<thead>
<tr>
<th>Drug or project code (partners)</th>
<th>Adaptation disease</th>
<th>Current status</th>
</tr>
</thead>
<tbody>
<tr>
<td>GNKG168 (CN Huapu)</td>
<td>B cell chronic lymphocytic leukemia</td>
<td>P1 Clinical Trial</td>
</tr>
<tr>
<td>Immuno-cell therapy (US Baylor Research Institute)</td>
<td>Cancers</td>
<td>US: P2 Clinical Trial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>JPN: Pre-Clinical Trial was safely conducted for melanoma patients at Kyoto University Hospital /Preparing for Clinical Trial</td>
</tr>
<tr>
<td>Anti-ILT-7 antibody</td>
<td>Autoimmune diseases</td>
<td>Gave development and commercialization rights to the subsidiary of AstraZeneca</td>
</tr>
</tbody>
</table>

Below are the pipelines of Quark Pharmaceuticals, SBI Biotech’s subsidiary

①PF-655 (Pfizer Inc.)
Diabetic macular edema (DME) Wet age-related macular degeneration
P2b Clinical Trial

②QPI-1002 (Novartis Pharmaceuticals Corp.)
Kidney Transplantation (DGF) Acute Kidney Injury (AKI)
P2a Clinical Trial

③QPI-1007
Non-arteritic Anterior Ischemic Optic Neuropathy (NAION)
P2 Clinical Trial

①Potential contingency fee (total): USD 713m (approx. JPY 67.2bn)
- Received so far: USD 28.35m
- Scheduled for receiving USD 25.8m at the conclusion of Phase 2b
  *Based on the premise of an acceptance by Pfizer Inc.

②Potential contingency fee (total): USD 670m (approx. JPY 63.1bn)
- Not yet received, but will receive USD 8m at the conclusion of Phase2a
  *Based on the premise of an acceptance by Novartis Pharmaceuticals Corp.

③Conclusion of an out-licensing and technical cooperation agreement with Biocon, a leading pharmaceuticals company in India (announced on Dec. 2013) and planned receipt of a total of USD 1.5m by Oct. 2014.
- Already, the SBI Group has received USD 0.5m
  *Calculated by the exchange rate as of the end of Mar. 2013

* SBI's shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group.
(2) 5-ALA Related Business:
The 5-ALA Related Business is Progressing Favorably, Boosted by a Tailwind from Academic Papers Concerning 5-ALA from Japanese and Overseas Universities

- **Establishment**: Apr. 2008
- **Launch of ALA Plus cosmetics**: Oct. 2009
- **Business alliance with medac in German**: Oct. 2009
- **Launch of supplement NatuALA-Bio**: Feb. 2010
- **Brain tumor diagnostics agent started clinical test phase III**: June 2010
- **Obtaining manufacturing and marketing approval for brain tumor diagnostic agent “ALAGLIO®”**: Mar. 2013
- **5-ALA diagnostic agent completed clinical test phase III**: Dec. 2012
- **A drug to treat cancer chemotherapy-induced anemia completed clinical test phase I**: May 2013
- **Publication of the results of the use for individuals with prediabetes**: June 2012
- **Carcinoma diagnostic agent completed clinical test phase III**: June 2013
- **SBI Pharmaceutical’s 5-ALA in its new product Bi Chocola Enrich**: Sept. 2013
- **Addition of supplement ALAPlus GOLD**: July 2013
- **Agreement with Bahrain Government for the Promotion of the 5-ALA Business**: Apr. 2012
- **Uses SBI Pharmaceutical’s 5-ALA in its new product Bi Chocola Enrich**: Sept. 2013
- **Publication of the results of relations between 5-ALA and glycemic index**: June 2013
- **Antiproliferative effect for the falciparum malaria parasite presented**: Oct. 2011
- **Presentation of discoveries that 5-ALA has an augmentative effect for cancer thermotherapy**: Dec. 2012

* SBI Pharmaceuticals

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**Academical publication**
- May 2011 Kyoto Prefectural University
  - The 65th Annual Meeting of the Japanese Society of Nutrition and Food Science: Suppression of accumulation of body fat presented
- Oct. 2009 Business alliance with medac in German
- Dec. 2011 University of Tokyo
  - The 71st Annual Meeting of Eastern Branch of Japanese Society of Parasitology: Antiproliferative effect for the falciparum malaria parasite presented
- June 2011 Tokyo Institute of Technology, and so on
  - The 70th Annual Meeting of the Japanese Cancer Association: Presented 3 themes, including on discoveries that 5-ALA has an augmentative effect for cancer thermotherapy

**Beauty goods**
- July 2013 Hiroshima Univ.
  - Publication of the results of relations between 5-ALA and glycemic index

**Medicine**
- May 2013 A drug to treat cancer chemotherapy-induced anemia completed clinical test phase I

**Health foods**
- Oct. 2009 Launch of ALA Plus cosmetics

**Academical publication**
- June 2010 Brain tumor diagnostics agent started clinical test phase III

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* SBI Pharmaceuticals
(2) 5-ALA Related Business:

Toward Rapid Achievement of Profitability in the 5-ALA Related Business

◆Expanding domestic sales of health foods containing 5-ALA

Promotion including TV commercials of the ALAplus series featuring singer Hiromi Go stepped up from the end of Feb. 2014

Sequential launch at approximately 600* dispensing pharmacies, consulting pharmacies, and drugstores nationwide that offer SBI ALApromo products

◆Drug development research

Will implement out-licensing of pipelines that conclude Phase 2 clinical trials

ALAPlus GOLD

Price: JPY 9,800 (including tax)

Goal of availability at 1,000 stores in FY2013

*As of the end of Jan. 2014
(2) 5-ALA Related Business:

Research on the Effects of 5-ALA on Various Target Illnesses is Proceeding through the Utilization of the Global Academic Network

Target illnesses for which clinical research and basic research of 5-ALA and porphyrin are proceeding (Reference: Research related material by 5-ALA and Porphyrin Research Society)

<table>
<thead>
<tr>
<th>Photodynamic diagnosis and therapy</th>
<th>Chemotherapy-induced anemia</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Glioma (malignant glioma)</strong></td>
<td><strong>Cancer chemotherapy-induced anemia</strong></td>
</tr>
<tr>
<td>Product launched by SBI Pharmaceuticals</td>
<td>Phase I Clinical testing completed in UK, Phase II will start in Japan</td>
</tr>
<tr>
<td><strong>Carcinoma vesicae</strong></td>
<td><strong>Metabolic disease</strong></td>
</tr>
<tr>
<td>Phase III Clinical testing by doctor sponsored investigation at 5 universities including Kochi University completed, preparing for Notification</td>
<td><strong>Diabetic disease</strong></td>
</tr>
<tr>
<td><strong>Solar keratoses</strong></td>
<td>Hiroshima Univ., Univ. of Hawaii, Arabian Gulf Univ., the Royal College of Surgeons in Ireland - Medical Univ. of Bahrain, etc.</td>
</tr>
<tr>
<td>(cancer of skin)</td>
<td><strong>Chronic kidney disease</strong></td>
</tr>
<tr>
<td>photonamic GmbH &amp; Co. KG in Germany sells in Europe</td>
<td>Kochi Univ., etc.</td>
</tr>
<tr>
<td><strong>Photodynamic therapy</strong></td>
<td><strong>Others</strong></td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td><strong>Prevented the aggravation of influenza</strong></td>
</tr>
<tr>
<td><strong>Alzheimer's Disease</strong></td>
<td>Tokushima Univ., etc.</td>
</tr>
<tr>
<td>Hokkaido Univ., etc.</td>
<td><strong>Malaria</strong></td>
</tr>
<tr>
<td><strong>Parkinson's disease</strong></td>
<td>The Univ. of Tokyo, Tokyo Institute of Technology, MRC National Institute for Medical Research and SBI Pharmaceuticals</td>
</tr>
<tr>
<td>Shimane Univ., etc.</td>
<td><strong>Mitochondrial diseases</strong></td>
</tr>
<tr>
<td></td>
<td>Saitama Medical Univ., etc.</td>
</tr>
</tbody>
</table>
Expanding 5-ALA Related Business in Middle East

~Why expanding in the Middle East?~

Areas where there is no mandatory health insurance plan, nor insurance premium contributions by employers, and the entire medical payment is at the government's expense. Citizens can receive medical care without any financial burden.

As the nation faces heavy financial burdens, controlling medical cost is an issue.

Initiation of multiple clinical research projects involving 5-ALA started with the field of diabetes.

High diabetes prevalence in the MENA such as Bahrain

<table>
<thead>
<tr>
<th>(Source: Database published by International Diabetes Federation)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Background</strong> High diabetes prevalence in the MENA such as Bahrain (%)</td>
</tr>
<tr>
<td>In the MENA</td>
</tr>
<tr>
<td>Diabetes patients rate</td>
</tr>
<tr>
<td>In major advanced country</td>
</tr>
<tr>
<td>Diabetes patients rate</td>
</tr>
</tbody>
</table>
AGU is working to establish a clinical development structure that complies with GCP (Good Clinical Practice, which is a standard for performing clinical tests on pharmaceutical products) to support Arabic people in the region. And to help treat diabetic patients, the university has chosen a supplement containing 5-ALA as its first model of clinical research.

Partner institutions for clinical study on diabetes by using 5-ALA:

- Diabetes Department of the Bahrain Defense Force Royal Medical Service Hospital
- the Arabian Gulf University Hospital
- the Royal College of Surgeons in Ireland
- Medical University of Bahrain, etc.

Partner institutions for clinical study on the use of 5-ALA in the photodynamic diagnosis of colorectal cancer:

- KING HAMAD UNIVERSITY HOSPITAL
- the Royal College of Surgeons in Ireland
- Medical University of Bahrain

In Jan. 2014, King Abdulla Medical City, a medical center of Arabian Gulf University performed the first successful surgical removal of bladder cancer in the world using 5-ALA as an intraoperative diagnostic drug and medical devices of SBI Pharmaceuticals.

Future plans call for performing photodynamic diagnosis of prostate cancer using 5-ALA.
(2) 5-ALA Related Business:
Bahrain as a Base for the 5-ALA Related Business in the Middle East
(Drug Development Research, Clinical Research, Manufacturing, Export, etc.)

Sale of Health Foods and Cosmetics

- Established a joint venture company concerning local marketing of health foods and cosmetics with Dawani Group Holdings, a major local distributor.

- In addition to health foods for which approval for sale in Bahrain had already been obtained, approval for sale of health foods containing 25 mg of 5-ALA (label at right) obtained (Jan. 2014). Distribution as a mainstay product is planned.

- “Promotes Sugar and Fat Metabolism” “Promotes Energy Production” are listed on labels of the health foods containing 25 mg 5-ALA planned to be sold in Bahrain

* Currently, the SBI Group has no plans to sell health foods containing 25 mg of 5-ALA in Japan
(2) 5-ALA Related Business:

Accelerating 5-ALA Related Business in China

- 5-ALA manufactured by Suzhou Yian Biotech Co., Ltd. (SBI Group’s shareholding ratio: 40%) has already passed the safety and toxicity tests of a state designated institution and meets national standards in China.
  - The objective is to obtain a health food license as soon as possible after obtaining a materials license.
  - Planned operation of a food products production plant during 2014

- Agreeing to form a Strategic Alliance with New Hope Group and Fudan Forward for sales of 5-ALA products in China (Nov. 2013)
  - Preparations underway for establishment of an import and sales company, which imports 5-ALA products and other products from Japan, in the Shanghai Free Trade Zone. This spring, the registration procedure is scheduled to be completed, after which a business license will be applied for.

- New Hope Group in China plans to sell fertilizers and forages containing 5-ALA
  - Supply structure: Imports of finished products from Japan and production at Yian Biotech are planned
  - Will strengthen sales of various crops at each priority area

- It is estimated (Journal of the American Medical Association (JAMA)) that there are 113.93 diabetic patients in China, and that one in two adults, or about 493.4 million people are at risk of contracting diabetes. The SBI Group has donated RMB 2m (approx. JPY 33m) to an education fund at Fudan University in China, for the research of the efficacy of 5-ALA on the diabetic mechanism at the Fudan University School of Life Science.
5. Endeavor to actualize SBI’s business value
   “Targeting pre-Lehman Shock level ROE”
SBI Holding’s Recent Stock Price

Market cap (actual value as of Mar. 3, 2014): **JPY 265.7bn**

[Last 3 years]

**Recent high:**
Apr. 24, 2013: **1,990 yen**

**Record low:**
Sept. 5, 2012: **463 yen**

Closing price on Mar. 3, 2014: **1,183 yen**

Expanded by **4.3x**

Source: Bloomberg
Change in PBR of SBI Holdings

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

TOPIX: 1.1
Bank: 0.5
Securities and commodities: 1.3
Other financials: 1.0
(As of Feb. 28, 2014)

The stock price of SBI Holdings: 1,183 yen
PBR: 0.8*

[Reference]
SBI Holdings’ PER based on forecast EPS
(As of Mar. 3, 2014)
PER:
8.9 (Nikkei Kaisha Joho)
8.8 (Japanese company handbook)

*PBR of SBI Holdings prior to FY2011 is calculated based on J-GAAP BPS.

Source: TSE website
PBR Comparison with Competitors

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

(As of Mar. 3, 2014)

*PBR of Monex and SBI Holdings prior to FY2011 are calculated based on J-GAAP BPS.

Source: Bloomberg
Pursued a Forward-looking Business Strategy in a Prolonged Adverse Business Environment

Transition of Nikkei 225

- The BNP Paribas Shock
- The Lehman Shock / Start of G20
- Greek Debt Issue Occurrence
- European Debt Crisis
- Greek Debt Issue Recurrence
- End of QE3 in US / Economic deterioration in China

**Global situation**

① Aug. 2007  SBI Japannext began operation of PTS
② Sept. 2007  SBI Sumishin Net Bank commenced business
③ Jan. 2008  SBI Insurance commenced business
④ Apr. 2008  SBI AXA Life Insurance commenced business
⑤ Nov. 2008  SBI Liquidity Market started operations
⑥ Feb. 2010  Transferred all shares of SBI AXA Life Insurance (posted JPY0.8bn as extraordinary income)
⑦ July 2010  Announcement of “Brilliant Cut Initiative” and promotion of “selection and concentration”
⑧ May 2012  SBI FXTRADE started operations
⑨ June 2012  Established an intermediate holding company for FS and AM Businesses
⑩ Sept. 2012  Consolidated SBI Japannext (posted JPY 2.8bn as gain on step acquisition associated with the consolidation)
⑪ Mar. 2013  Consolidated current SBI Savings Bank
⑫ July 2013  Agreed on an acquisition of 100% equity interest in PCA Life Insurance (Assuming approval and licensing by the authorities)
Endeavoring to Improve ROE

Average ROE for FY2003 to FY2006 was 20.7%.

Targeting pre-Lehman Shock level

* Figures for the fiscal years up until FY2011 are based on J-GAAP. The Company introduced IFRS from FY2012.
Continued Focus on Shareholder Return

Past dividend per share (results) and total amount of dividends

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Full-year (incl. commemorative dividend)</th>
<th>Total amount of dividends (JPY million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2012 (IFRS) *</td>
<td>JPY 10</td>
<td>2,170</td>
</tr>
<tr>
<td>FY2011</td>
<td>JPY 100</td>
<td>2,207</td>
</tr>
<tr>
<td>FY2010</td>
<td>JPY 120</td>
<td>2,391</td>
</tr>
<tr>
<td>FY2009</td>
<td>JPY 100</td>
<td>1,676</td>
</tr>
<tr>
<td>FY2008</td>
<td>JPY 100</td>
<td>1,673</td>
</tr>
<tr>
<td>FY2007</td>
<td>JPY 1,200</td>
<td>13,579</td>
</tr>
<tr>
<td>FY2006</td>
<td>JPY 1,200</td>
<td>13,514</td>
</tr>
<tr>
<td>FY2005</td>
<td>JPY 600</td>
<td>7,337</td>
</tr>
<tr>
<td>FY2004</td>
<td>JPY 350</td>
<td>2,985</td>
</tr>
<tr>
<td>FY2003</td>
<td>JPY 770</td>
<td>1,784</td>
</tr>
</tbody>
</table>

* Figures for the fiscal years up until FY2011 are based on J-GAAP. The Company introduced IFRS from FY2012. The Company executed a split of its shares at a ratio of 10 shares to 1 shares on October 1, 2012.
For Shareholders of Record as of the End of Mar. 2014, Forecasting a Year-end Dividend Payout of JPY 20 Per Share, a Doubling from the Previous Year

[Basic Dividend Policy]

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

Considering a profit allocation depending on its financial results

<table>
<thead>
<tr>
<th>Dividend forecast (results) per share</th>
<th>End of 2Q</th>
<th>Year-end</th>
<th>Full-year</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2013 (forecast)</td>
<td>—</td>
<td>JPY 20</td>
<td>JPY 20</td>
</tr>
<tr>
<td>FY2012 (results)</td>
<td>—</td>
<td>JPY 10</td>
<td>JPY 10</td>
</tr>
</tbody>
</table>

Note: The dividend forecast shown above is an estimate made as of the current date. Actual dividend payments may differ from these forecasts due to various reasons.
The Financial Services Business, Asset Management Business and Biotechnology-related Business are defined as the three major businesses. As a general rule, regardless of their profitability, businesses and companies involved in other fields should be sold, integrated with other Group companies, or IPO’d.

Basic “Selection and Concentration” policy for the Financial Services Business is based on whether a business provides meaningful synergy with one of the core businesses of securities, banking or insurance.
With regard to non-core businesses, sales, IPOs, and integration with other Group companies will be prioritized, thereby maximizing cash flow.

IPOs will be implemented after value is maximally increased through measures including reorganizations within the Group.

Generated cash will be appropriated to reduce debt with high interest rates.

An improving equity ratio will contribute to an improvement of the financial condition. Share repurchases will also be considered.
Examples of Generating Cash Flow through “Selection and Concentration”

1. Selling subsidiaries that are not expected to generate meaningful synergies with one of the three core businesses

   **Principal examples**
   - SBI VeriTrans (currently VeriTrans), Wall Street Journal Japan and SBI Capital Solutions
   - Recovered more than JPY 20.0bn, on a total basis, since Mar. 2012

2. Listing subsidiaries, on either the domestic or foreign markets, deemed not synergistic with one of the three core businesses

   - SBI Mortgage (SBI Group’s share: 66.5%)
   - SBI AXES (SBI Group’s share: 75.0%)
   
   * SBI's shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group.

3. Consider reorganizations within the Group to manage businesses that have strong business relevancy

   **Principal examples**
   - Implementing reorganization of the face-to-face sales business of SBI SECURITIES, with SBI MONEY PLAZA as the managing entity
   - Morningstar Japan absorbed both SBI Searchina and SBI Asset Management as its subsidiaries

Regarding the HKEx, while SBIH is now in process of delisting, SBIH is proactively considering listing its subsidiaries on this exchange.
### Corporate Value by Business Segment Valuation

~Each Business Segment Valuation is Conservatively Estimated~

#### Sum of the values by segment (as of Mar. 3, 2014) (JPY billion)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Valuation of each segment (theoretical value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Services</td>
<td>397.9 (+)*</td>
</tr>
<tr>
<td>Asset Management</td>
<td>126.4</td>
</tr>
<tr>
<td>Biotechnology-related</td>
<td>63.5</td>
</tr>
<tr>
<td>Housing and Real Estate</td>
<td>29.3</td>
</tr>
<tr>
<td><strong>Sum total</strong></td>
<td><strong>617.2 (+)</strong></td>
</tr>
</tbody>
</table>

*Other business including SBIH’s comparison website business, SBI Business Support and so on are also profitable, but these businesses are not included in this valuation estimation.*

**Business valuation per share:** **2,749 yen**

*Of the major 58 Group companies, 18 are profitable companies that are not included in the above calculations (Total Operating Income: approx. JPY 3.4bn)*
Continue to Take Firm Measures Against Cases That Undermine the Public Reputation of the SBI Group

Filed two lawsuits against Facta Publishing Ltd. and its representative director Mr. Shigeo Abe, which was a response to certain articles that were published by Facta Publishing on its website “FACTA Online” and its print magazine “FACTA”

Legal courts fully agreed with SBIH’s claims that articles contained baseless statements, and SBIH won lawsuits in both cases

[The First Lawsuit]
Mar. 7, 2012 Filed a lawsuit
Jan. 29, 2014 Won a lawsuit in the Tokyo District Court
(Accepted damages: JPY 5m + delayed damages)
Feb. 18, 2014 Settled on the judgment

[The Second Lawsuit]
Aug. 30, 2012 Filed a lawsuit
July 17, 2013 Won a lawsuit in the Tokyo District Court (Facta Publishing appealed)
Feb. 13, 2014 Won a lawsuit in Tokyo High Court
(Accepted damages: JPY 6m + delayed damages)
Mar. 4, 2014 Settled on the judgment
[Reference]
Specific formula for the estimation of our corporate value
Valuation by Segment Estimated by SBI
(1) Financial Services Business ① SBI SECURITIES -(i)

① SBI SECURITIES

Valuation is conservatively estimated at JPY **312.6bn**
(based on the closing prices of Mar. 3, 2014)

SBIH’s market cap as of Mar. 3 is likely to fall below the estimated valuation of SBI SECURITIES

Estimation of the valuation is as follows

Calculated according to the **Comparable Public Company Analysis**
Compares the market cap and profits of the comparable public company, Matsui Securities.

Valuation of SBI SECURITIES is calculated as the mean of the two values [(A) and (B)] resulting from the equations below

\[
\text{Matsui’s PER} \quad \times \quad \text{SBI SECURITIES’s Net income (FY2012)} \\
\text{Matsui’s PBR} \quad \times \quad \text{SBI SECURITIES’s Net asset (as of Dec. 31, 2013)}
\]

*1 PER of Matsui is calculated by its net income per share for FY2012.
*2 PBR of Matsui is calculated by its BPS as of Dec. 31, 2013.
*3 Represents SBI SECURITIES’ balance of net asset excluding short-term loans receivable from SBIH
Is SBI SECURITIES’ valuation reasonable?

Comparison of SBI SECURITIES and listed online securities company (Matsui Securities)  
*Calculated by the closing prices of Mar. 3, 2014

<table>
<thead>
<tr>
<th>(3Q FY2013)</th>
<th>SBI SECURITIES</th>
<th>Matsui Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation (market cap)*</td>
<td>JPY 312.6bn</td>
<td>JPY 290.8bn</td>
</tr>
<tr>
<td>Deposit assets (Dec. 2013)</td>
<td>No.1 JPY 7.9tn</td>
<td>JPY 2.1tn</td>
</tr>
<tr>
<td>Number of accounts (As of the end of Dec. 2013)</td>
<td>No.1 2.86 million</td>
<td>920 thousand</td>
</tr>
<tr>
<td>Share of individual stock brokerage</td>
<td>No.1 34.7%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Operating income</td>
<td>No.1 JPY 24.9bn (up 357.6% YoY)</td>
<td>JPY 21.7bn (up 361.8% YoY)</td>
</tr>
</tbody>
</table>

Customers’ Deposit Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>SBI SECURITIES</th>
<th>Matsui</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar.2009</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td>Mar.2010</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>Mar.2011</td>
<td>5.0</td>
<td></td>
</tr>
<tr>
<td>Mar.2012</td>
<td>6.0</td>
<td></td>
</tr>
<tr>
<td>Mar.2013</td>
<td>7.9</td>
<td></td>
</tr>
<tr>
<td>Dec. 2013</td>
<td>8.0</td>
<td></td>
</tr>
</tbody>
</table>

Customer account

<table>
<thead>
<tr>
<th>Year</th>
<th>SBI SECURITIES</th>
<th>Matsui</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar.2009</td>
<td>187</td>
<td></td>
</tr>
<tr>
<td>Mar.2010</td>
<td>187</td>
<td></td>
</tr>
<tr>
<td>Mar.2011</td>
<td>187</td>
<td></td>
</tr>
<tr>
<td>Mar.2012</td>
<td>286</td>
<td></td>
</tr>
<tr>
<td>Mar.2013</td>
<td>286</td>
<td></td>
</tr>
<tr>
<td>Dec. 2013</td>
<td>286</td>
<td></td>
</tr>
</tbody>
</table>
Valuation by Segment Estimated by SBI
(1) Financial Services Business ② SBI Sumishin Net Bank -(i)

② SBI Sumishin Net Bank

Valuation is conservatively estimated at **JPY 38.6bn**
(Shareholding of the SBI Group: 50.0%)

Estimation of the valuation is as follows:

The excess earning power of the bank for the five fiscal years beginning in FY2012 is estimated with the assumption that the after-tax income (*) of SBI Sumishin Net Bank will grow 20 percent annually for those five fiscal years. Then, valuation is calculated by adding the bank’s net asset of SBIH’s shareholding as of Mar. 31, 2013 to the excess earning power.

* Under a calculation based on the ordinary income as JPY 7.9bn, and the profit after tax for the corresponding fiscal year as JPY 4.8bn.

Conservatively estimated the valuation of SBI Sumishin Net Bank with high growth potential in terms of profitability and scale at **JPY 77.2bn** → **JPY 38.6bn**
(Shareholding of the SBI Group: 50.0%)
Valuation by Segment Estimated by SBI
(1) Financial Services Business
② SBI Sumishin Net Bank - (ii)

Consideration of SBI Sumishin Net Bank’s valuation (JPY 77.2bn)

- Ordinary income for 9 months FY2013 (JPY 8.0bn (+63.5% YoY))
~ Within reach of achieving ordinary income of JPY 10.0bn ~
- Deposit balance topped JPY 3.3tn (as of Dec. 26, 2013)

Ordinary income for FY2012
Local listed banks with ordinary income of nearly JPY 10.0bn

<table>
<thead>
<tr>
<th>Bank</th>
<th>Ordinary income (JPY billion)</th>
<th>YoY Change (%)</th>
<th>Market Cap (JPY billion)</th>
<th>Ranking*1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Juroku Bank</td>
<td>10.9</td>
<td>-33.5</td>
<td>125.5</td>
<td>15</td>
</tr>
<tr>
<td>Chiba Kogyo Bank</td>
<td>10.2</td>
<td>+12.6</td>
<td>32.8</td>
<td>48</td>
</tr>
<tr>
<td>Yamanashi Chuo Bank</td>
<td>9.9</td>
<td>+13.4</td>
<td>75.0</td>
<td>40</td>
</tr>
<tr>
<td>Nanto Bank</td>
<td>9.9</td>
<td>+7.8</td>
<td>99.0</td>
<td>20</td>
</tr>
<tr>
<td>Senshu Ikeda Bank</td>
<td>9.5</td>
<td>+23.0</td>
<td>108.3*</td>
<td>19</td>
</tr>
<tr>
<td>Bank of Okinawa</td>
<td>9.3</td>
<td>+10.9</td>
<td>81.4</td>
<td>59</td>
</tr>
<tr>
<td>Hokuetsu Bank</td>
<td>9.1</td>
<td>+12.9</td>
<td>49.4</td>
<td>49</td>
</tr>
<tr>
<td>Hyakujushi Bank</td>
<td>8.9</td>
<td>-28.5</td>
<td>100.2</td>
<td>33</td>
</tr>
<tr>
<td>Oita Bank</td>
<td>8.7</td>
<td>-26.1</td>
<td>59.9</td>
<td>41</td>
</tr>
<tr>
<td>Yamagata Bank</td>
<td>8.7</td>
<td>+25.2</td>
<td>66.9</td>
<td>53</td>
</tr>
<tr>
<td>Shikoku Bank</td>
<td>8.6</td>
<td>+75.5</td>
<td>46.3</td>
<td>43</td>
</tr>
<tr>
<td>Miyazaki Bank</td>
<td>8.0</td>
<td>-25.1</td>
<td>49.4</td>
<td>56</td>
</tr>
</tbody>
</table>

Comparison with listed local banks of a similar scale

The average market cap of 12 listed local banks with ordinary income of nearly JPY 10.0bn is approx. JPY 74.5bn

Market cap of local banks with deposit balances greater than JPY 3tn exceeds JPY 100bn

* Market cap is of Sensyu Ikeda Holdings whose main subsidiary is Sensyu Ikeda Bank
*1 Ranking of deposit balance of 75 banks including community banks and New Entrant Banks
*2 Market cap based on the closing prices of Mar. 3, 2014
Valuation by Segment Estimated by SBI
(1) Financial Services Business ③ SBI Liquidity Market

③ SBI Liquidity Market

Valuation is estimated at **JPY 14.5bn**
(based on the closing price of Mar. 3, 2013)

Estimation of the valuation is as follows:

**Calculated according to the Comparable Public Company Analysis**

Compares the market cap and profits of a comparable public company, MONEY SQUARE JAPAN

**MONEY SQUARE JAPAN’s PER (*) x Net profit of SBI Liquidity Market (FY2012)**

* PER of MONEY SQUARE JAPAN is calculated by its net income per share for FY2012.

<Reference> Acquisition of CyberAgent FX by Yahoo Japan (Mar. 3, 2013)

**Acquired all shares of CyberAgent FX (16,200 shares) at ** **JPY 21.0bn**

<table>
<thead>
<tr>
<th>CyberAgent FX (FY2011)</th>
<th>Operating revenue</th>
<th>SBI Liquidity Market (FY2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JPY 8,498m</td>
<td></td>
<td>JPY 7,743m</td>
</tr>
<tr>
<td>JPY 4,021m</td>
<td>Operating income</td>
<td>JPY 1,512m</td>
</tr>
<tr>
<td>JPY 2,289m</td>
<td>Net Profit</td>
<td>JPY 941m</td>
</tr>
<tr>
<td>JPY 9,067m</td>
<td>Net Asset</td>
<td>JPY 3,470m</td>
</tr>
</tbody>
</table>

Operating income before allocation to SBI SECURITIES is JPY 6.1bn
### Valuation by Segment Estimated by SBI

#### (1) Financial Services Business

#### ④ Other Financial Services Business (listed companies)

#### ④ Other listed subsidiaries and equity-method companies in the FS Business

<table>
<thead>
<tr>
<th>Company</th>
<th>SBI’s shareholding pct. (%)</th>
<th>Classification</th>
<th>Listed market</th>
<th>Market cap (JPY billion)</th>
<th>SBI’s equity interest of market cap (JPY billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morningstar Japan</td>
<td>49.2</td>
<td>Consolidated subsidiary</td>
<td>JASDAQ</td>
<td>28.1</td>
<td>13.8</td>
</tr>
<tr>
<td>SBI Mortgage</td>
<td>60.7</td>
<td>Consolidated subsidiary</td>
<td>KOSPI of KRX</td>
<td>27.8*</td>
<td>16.9</td>
</tr>
<tr>
<td>SOLXYZ</td>
<td>26.3</td>
<td>Equity-method associate</td>
<td>JASDAQ</td>
<td>5.6</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>Sum of the market cap of listed subsidiaries and equity-method associates</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>61.6</strong></td>
<td><strong>32.2</strong></td>
</tr>
</tbody>
</table>

(Based on the closing price of Mar. 3, 2014, *Calculated by the exchange rate as of Mar. 3, 2014.)*

* SBI's shareholding percentage corresponds to a figure based on the IFRS criteria that excludes a percentage of outside shareholder's interest of subsidiary companies and subsidiary funds of the Group.
Valuation by Segment Estimated by SBIH

(1) Financial Services Business Total Valuation of the Businesses

① SBI SECURITIES
Upon comparison with similar listed companies calculated conservatively as JPY 312.6bn (based on the closing prices of Mar. 3, 2014)

② SBI Sumishin Net Bank
Conservatively estimated the valuation of SBI Sumishin Net Bank that has high growth potential in terms of profitability and scale at JPY 77.2bn JPY 38.6bn (Shareholding of the SBI Group: 50.0%)

③ SBI Liquidity Market
Upon comparison with similar listed companies calculated as JPY 14.5bn (based on the closing price of Mar. 3, 2014)

④ Total market cap upon SBIH’s shareholding of other listed subsidiaries and equity-method companies, in total 3 companies, in the FS Business
The sum of market caps of Morningstar Japan, SBI Mortgage and SOXYZ (Shareholding of the SBI Group) JPY 32.2bn (based on the closing prices of Mar. 3, 2014)

Total of the valuation above: JPY 397.9bn (The SBI Group’s total shareholding)
### Valuation by Segment Estimated by SBIH

#### (1) FS Business ⑤ Other FS Business (Profitable Entities)

The FS Business also consists of many other profitable business entities.

<table>
<thead>
<tr>
<th>Business Lineup</th>
<th>OP for 9M FY2013 (JPY billion)</th>
<th>SBI's Shareholding Pct. (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBI Comparison Website Business: Operation of comparison websites for loans and insurances</td>
<td>0.9</td>
<td>100.0</td>
</tr>
<tr>
<td>SBI Japannext: Growing Business: Operation of PTS (Proprietary Trading System)</td>
<td>0.8</td>
<td>52.8</td>
</tr>
<tr>
<td>SBI Business Support: Contact center business for corporations and a temporary staffing agency</td>
<td>0.1</td>
<td>100.0</td>
</tr>
<tr>
<td>CEM Corporation: Real estate secured loans</td>
<td>0.3</td>
<td>79.7</td>
</tr>
</tbody>
</table>

Based on the “Selection and Concentration” policy for the Financial Services Business, regardless of profit contributions, a sale, an IPO or reorganizations within the Group of non-core businesses will be accelerated, though a judgment of the existence of strength of synergies.

Proceeds generated may be appropriated to strengthen the three core businesses.

* SBI’s shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group.
Valuation by Segment Estimated by SBIH

(2) Asset Management Business

① Valuation Measuring Method

Asset Management Business

Valuation for the AM Business is estimated at **JPY 126.4bn**

<Reference>

JAFCO’s Market Cap: **JPY 250.2bn** (based on the closing price of Mar. 3, 2014)

Valuation estimation is the sum of the valuation (i)-(iii) below.

(i) Value of holding securities (at the end of Dec. 2013) **Approx. JPY 92.1bn**

Operational investment securities and other investment securities held are quarterly evaluated through fair value, and the calculated number above reflects the **fair value of SBIH’s ownership**

(ii) Value of SBI Investment (based on the closing price of Mar. 3, 2014)

(* Valuation excluding asset such as securities hold) **Approx. JPY 29.4bn**

Calculated according to the Comparable Public Company Analysis

Compares the market cap and profit of the comparable public company, JAFCO

Provisional amount of SBI Investment’s net income that represents the actual status deducting expenses produced relevant to the holding company function held by it x JAFCO’s PER (*)

*PER of JAFCO is calculated by the estimated net income per share for FY2013. The estimated net income per share used in the calculation is the average between that of Japanese company handbook and Nikkei Kaisha Joho.
### Valuation by Segment Estimated by SBIH

#### (2) AM Business ②Other Profitable Business Entities

(iii) Total market cap of listed subsidiaries and equity-method associates

<table>
<thead>
<tr>
<th>SBI AXES</th>
<th>SBI’s shareholding pct. (%)</th>
<th>Classification</th>
<th>Listed market</th>
<th>Market cap (JPY billion)</th>
<th>SBI’s equity interest of market cap (JPY billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Consolidated subsidiary</td>
<td>KOSDAQ of KRX</td>
<td>5.4*</td>
<td>2.3</td>
</tr>
<tr>
<td>SBI Investment Korea</td>
<td>43.9</td>
<td>Equity-method associate</td>
<td>KOSDAQ of KRX</td>
<td>6.0*</td>
<td>2.6</td>
</tr>
<tr>
<td>Sum of the market cap of listed subsidiaries and equity-method associates</td>
<td>11.4</td>
<td>4.9</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Based on the closing price of Mar. 3, 2014, *Calculated by the exchange rate as of Mar. 3, 2014.*

[Other profitable businesses of the Asset Management Business]

<table>
<thead>
<tr>
<th>Phnom Penh Commercial Bank</th>
<th>Business lineup</th>
<th>OP for 9M FY2013 (JPY billion)</th>
<th>SBI's shareholding pct. (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Overseas Business Commercial Bank</td>
<td>0.2</td>
<td>47.6</td>
</tr>
</tbody>
</table>

* SBI’s shareholding percentage corresponds to a figure based on the IFRS criteria that excludes a percentage of outside shareholder's interest of subsidiary companies and subsidiary funds of the Group.
Valuation by Segment Estimated by SBIH

(3) Biotechnology-related Business

① SBI Pharmaceuticals

Biotechnology-related Business

Each bio-venture company has multiple promising pipelines, and the Biotechnology-related Business will become a core business that makes a substantial contribution through progress in areas including pharmaceutical clinical research in Japan and overseas.

Total valuation of the Biotechnology-related Business is estimated at **approx. JPY 63.5bn**

① SBI Pharmaceuticals

Estimation of the valuation is as follows:

\[
\text{Market value at the point of partial transference of former SBI ALA promo's shares} \times \text{Number of shares issued} \times \text{SBIH's equity interest (excluding external holdings)}
\]

Based on SBIH’s equity interest (excluding external holdings) as of the end of Dec. 2013, the amount is calculated to be **approx. JPY 46.6bn**

Beside SBI Pharmaceuticals, the total shareholder value of the Biotechnology-related Business includes the estimated shareholder value of 1 IPO scheduled company and 1 listed company, with the estimation based on SBIH's shareholding of paid-in capital and the market values of operational investment securities that SBIH owns.
### Valuation by Segment Estimated by SBIH

#### (3) Biotechnology-related Business

**Companies reserved for IPO in the Biotechnology-related Business**

<table>
<thead>
<tr>
<th>SBI Biotech</th>
<th>SBI’s shareholding pct. *2</th>
<th>IPO target</th>
<th>Lead manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>*1</td>
<td>38.5%</td>
<td>within 2014</td>
<td>Mizuho Securities</td>
</tr>
</tbody>
</table>

*1 Wholly acquired Quark (U.S.) as a subsidiary in Dec. 2012

* SBI’s shareholding percentage corresponds to a figure based on the IFRS criteria that excludes a percentage of outside shareholder’s interest of subsidiary companies and subsidiary funds of the Group.

#### Newly listed drug development bio-venture companies in the last three years

<table>
<thead>
<tr>
<th>Company name</th>
<th>Listed date</th>
<th>Net profit of the base fiscal year (JPY million)</th>
<th>Market cap by the initial price</th>
<th>Latest market cap (Mer. 3, 2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CellSeed</td>
<td>Mar. 16, 2010</td>
<td>-650</td>
<td>7.5</td>
<td>11.2</td>
</tr>
<tr>
<td>RaQualia Pharma</td>
<td>July 20, 2011</td>
<td>-1,307</td>
<td>19.6</td>
<td>7.2</td>
</tr>
<tr>
<td>SymBio Pharmaceuticals</td>
<td>Oct. 20, 2011</td>
<td>-642</td>
<td>8.6</td>
<td>8.9</td>
</tr>
<tr>
<td>3-D MATRIX</td>
<td>Oct. 24, 2011</td>
<td>-533</td>
<td>5.4</td>
<td>82.2</td>
</tr>
<tr>
<td>Chiome Bioscience</td>
<td>Dec. 20, 2011</td>
<td>-180</td>
<td>5.1</td>
<td>51.8</td>
</tr>
<tr>
<td>Gene Techno Science</td>
<td>Nov. 30, 2012</td>
<td>-320</td>
<td>3.0</td>
<td>4.7</td>
</tr>
<tr>
<td>UMN Pharma</td>
<td>Dec. 11, 2012</td>
<td>-477</td>
<td>8.3</td>
<td>22.0</td>
</tr>
<tr>
<td>MEDRx</td>
<td>Feb. 13, 2013</td>
<td>-433</td>
<td>11.3</td>
<td>9.4</td>
</tr>
<tr>
<td>PeptiDream</td>
<td>June 11, 2013</td>
<td>10</td>
<td>118.6</td>
<td>127.1</td>
</tr>
<tr>
<td>ReproCELL</td>
<td>June 26, 2013</td>
<td>-22</td>
<td>151.9</td>
<td>46.4</td>
</tr>
</tbody>
</table>

(Unit: JPY billion)
Valuation by Segment Estimated by SBIH
(3) Biotechnology-related Business

② Favorable IPO environment for the biotechnology-related companies

Out of the expected 54 IPOs during the calendar year 2013, initial prices of the 52 IPOs exceeded their public offering prices, and the number of IPOs are expected to increase through the calendar year 2014.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of IPOs *3</td>
<td>52 Companies</td>
<td>42 Companies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5 Companies</td>
</tr>
<tr>
<td>Initial price / Public offering price</td>
<td>1.7(x)</td>
<td>2.2(x)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.7(x)</td>
</tr>
</tbody>
</table>

Particularly Bio-related companies *2

*1: The number of FY2013 is as of Mar. 3, 2014
*2: Bio-related companies:
  - ReproCELL Incorporated
  - PeptiDream Inc.
  - Oncolys BioPharma Inc.
  - Human Metabolome Technologies Inc.
  - Acucela Inc.
*3: Except the number of companies that listed on Tokyo PRO market

Although most bio-venture companies are not profitable, many have gone public and have experienced high initial price ratios.
Valuation by Segment Estimated by SBIH
(4) Housing and Real Estate Business

Valuation for the Housing and Real Estate Business estimated at **approx. JPY 29.3bn**

Estimation of the valuation is as follows:
Sum of the calculated value of the commercial real estate properties of SBIH as of the end of Dec. 2013 were calculated, along with SBI Life Living's market cap.

① Value of the commercial real estate properties

\[
\text{Asset Value} = \text{Balance of investment real estate} + \text{Balance of real estate included in tangible assets}
\]

(Balance of investment real estate for SBI Savings Bank and SBI Life Living are excluded)

As of the end of Dec. 2013, valuation is **approx. JPY 24.0bn**

② Market cap of a listed subsidiary in the Housing and Real Estate Business

<table>
<thead>
<tr>
<th></th>
<th>SBI's shareholding pct. (%)</th>
<th>Classification</th>
<th>Listed market</th>
<th>Market cap (JPY billion)</th>
<th>SBI's equity interest of market cap (JPY billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBI Life Living</td>
<td>73.6</td>
<td>Consolidated subsidiary</td>
<td>TSE Mothers</td>
<td>7.3</td>
<td>5.4</td>
</tr>
</tbody>
</table>

(based on the closing price of Mar. 3, 2014)
http://www.sbigroup.co.jp/english/