



*Strategic
Business
Innovator*

SBI Holdings, Inc.

Financial Results

for the Nine-month Period Ended Dec. 31, 2015

(Fiscal Year Ending March 31, 2016)

January 29, 2016

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

- 1. 9 Month FY2015 Period Consolidated Financial Results**
- 2. The Present Time is Being Seized Upon as Rapid Growth Stage to Promote Various Initiatives in All Business Area**

1. 9 Month FY2015 Period Consolidated Financial Results

- 9 Month FY2015 period revenue increased 2.7% year-on-year to JPY 179,179m and profit before income tax expense decreased 38.1% year-on-year to JPY 30,661m. However, excluding the effect from the sales of ARUHI (formerly SBI Mortgage) and SBI Life Living and so on in FY2014, profit before income tax expense increased 5.6% year-on-year
- The Financial Services Business achieved increases in both revenue and profit, with a revenue increase of 19.5% year-on-year, and profit before income tax expense increase of 3.5% year-on-year, when excluding the effect from the sale of ARUHI (formerly SBI Mortgage)
- In the Asset Management Business, despite the recording of significant recognition of fair value loss at the end of Sept., owing to the downturn in the stock markets, the fair value valuation improved significantly due to a recovery in the stock prices of several listed companies as of the end of Dec.
- Although the Biotechnology-related Business achieved an increase in its revenue, owing to an advance increase in R&D of SBI Biotech and SBI Pharmaceuticals, loss before income tax expense for the 9 Month FY2015 period increased slightly

9M FY2015 Consolidated Performance (IFRS)

(Unit: JPY million)

| | 9M FY2014 (Apr.-Dec. 2014) | 9M FY2015 (Apr.-Dec. 2015) | YoY % change |
|--|-------------------------------|-------------------------------|--------------|
| Revenue | 174,526 | 179,179 | +2.7 |
| Profit before income tax expense | 49,549 | 30,661 | -38.1 |
| Profit for the period | 31,827 | 20,414 | -35.9 |
| Profit attributable to owners of the Company | 35,490 | 20,254 | -42.9 |

9M FY2015 Profit before Income Tax Expense Increased 5.6% Year-on-year, in Comparison with Figures Excluding the One-time Effect from the Sales of ARUHI (formerly SBI Mortgage) and SBI Life Living, etc.

[9 Month FY2015 Period Consolidated Performance (IFRS: Year-on-year)] (Unit: JPY million)

| | 9M FY2014 (Apr.-Dec. 2014) | 9M FY2015 (Apr.-Dec. 2015) | YoY % change |
|--|-------------------------------|-------------------------------|--------------|
| Revenue excluding the previous FY's special factors | 144,767 | 179,179 | +23.8 |
| Profit before income tax expense excluding the previous FY's special factors | 29,038 | 30,661 | +5.6 |

Special factors of 9M FY2014 consolidated financial results (IFRS)

(Unit: JPY million)

| | Revenue | Profit before income tax expense |
|---|---------|----------------------------------|
| Effect from the sale of ARUHI (formerly SBI Mortgage) | 20,322 | 17,065 |
| Effect from the sale of SBI Life Living * | 4,179 | 1,296 |
| Effect from the sales of real estate holdings | 4,223 | 1,115 |
| Exchange gain on foreign-currency-denominated funds, owing to the sharp drop in the yen | 1,035 | 1,035 |
| Total | 29,759 | 20,511 |

* JPY 515m of gain from the sale of SBI Life Living is not included in 9M FY2014, but is recognized in 4Q FY2014

9M FY2015 Revenue by Segment (IFRS) ^{*1}

[Year-on-year]

(Unit: JPY million)

| | 9M FY2014 (Apr.-Dec. 2014) | 9M FY2015 (Apr.-Dec. 2015) | YoY % change |
|--|-------------------------------|-------------------------------|---------------|
| Financial Services Business | 116,612_{*2} | 115,037 | -1.4 |
| Figures excluding the effect from the sale of ARUHI (formerly SBI Mortgage) | 96,290 | 115,037 | +19.5 |
| Asset Management Business | 47,077_{*2} | 60,265 | +28.0 |
| Biotechnology-related Business | 1,605 | 3,633 | +126.4 |
| Others (Primarily Housing and Real Estate Business) | 10,306 | 2,001 | -80.6 |
| Figures excluding the effect from the sale of SBI Life Living and real estate holdings | 1,905_{*3} | 2,001 | +5.0 |

*1 Figures are before elimination of inter-segment transactions

*2 Revenue for 9M FY2015 decreased by JPY 3,240m in the Financial Services Business, and increased by JPY 3,536m in the Asset Management Business, owing to the segment transfer of Morningstar Japan and other companies from the Financial Services Business to the Asset Management Business segment (Difference of JPY 296m is eliminated as inter-segment transactions)

*3 JPY 515m of gain from the sales of SBI Life Living is not included in 9M FY2014, but is recognized in 4Q FY2014

9M FY2015 Profit before Income Tax Expense by Segment (IFRS)

[Year-on-year]

*1

(Unit: JPY million)

| | 9M FY2014 (Apr.-Dec. 2014) | 9M FY2015 (Apr.-Dec. 2015) | YoY % change |
|--|-------------------------------|-------------------------------|----------------------------------|
| Financial Services Business | 53,254 *2 | 37,448 | -15,806 (-29.7) |
| Figures excluding the effect from the sale of ARUHI (formerly SBI Mortgage) | 36,189 | 37,448 | +1,259 (+3.5) |
| Asset Management Business | 2,616 *2 | 2,886 | +270 (+10.3) |
| Biotechnology-related Business | -2,360 | -2,453 | -93 (—) |
| Others (Primarily Housing and Real Estate Business) | 1,415 | -662 | -2,077 (—) |
| Figures excluding the effect from the sale of SBI Life Living and real estate holdings | -996 *3 | -662 | +334 (—) |

*1 Figures are before elimination of inter-segment transactions

*2 Profit before income tax expense for 9M FY2015 decreased by JPY 329m in the Financial Services Business, and increased by JPY 329m in the Asset Management Business, owing to the segment transfer of Morningstar Japan and other companies from the Financial Services Business to the Asset Management Business segment

*3 JPY 515m of gain from the sales of SBI Life Living is not included in 9M FY2014, but is recognized in 4Q FY2014

Despite the Weakness in the Stock Market, the Financial Services Business and the Asset Management Business Achieved a Quarter-on-quarter Increase in Profits

Profit before income tax expense by segment* (IFRS: Quarter-on-quarter) (Unit: JPY million)

| | 2Q FY2015 (July-Sept. 2015) | 3Q FY2015 (Oct.-Dec. 2015) | QoQ change (% change) |
|--------------------------------|--------------------------------|-------------------------------|--------------------------|
| Financial Services Business | 11,464 | 12,540 | +1,076 (+9.4) |
| Asset Management Business | -4,531 | 2,997 | +7,528 (—) |
| Biotechnology-related Business | 828 | -2,211 | -3,039 (—) |

* Figures are before elimination of inter-segment transactions

[Key Points for Each Segment's 9M FY2015 Results]

(1) Financial Services Business

- **Major Financial Services Business companies' 9 Month FY2015 period profit before income tax expense achieved significant growth and recorded an historical high, respectively**
- **9 Month FY2015 profit before income tax expense of SBI SECURITIES, which is the “cash cow” of the Financial Services Business, achieved significant growth and recorded an historical high**
- **Owing to the impacts of outbreak of several substantial insurance payments and natural disasters, SBI Insurance's deficit increased in 9 Month FY2015, whereas SBI Insurance posted profit in 3Q FY2015, which exceeds that of the same period of the previous fiscal year**

Profit before Income Tax Expense of Major Financial Services Business Companies (i)

[Profit before income tax expense (IFRS)]

(Unit: JPY million, Amounts are rounded to the nearest JPY million)

| | 9M FY2014 (Apr. 2014-Dec. 2014) | 9M FY2015 (Apr. 2015-Dec. 2015) | YoY change (YoY % change) |
|----------------------|------------------------------------|--|------------------------------|
| SBI SECURITIES | 25,232 | 29,134 Historical high | +3,902 (+15.5) |
| SBI Liquidity Market | 2,282 | 2,599 Historical high | +317 (+13.9) |
| SBI FXTRADE | 1,156 | 1,443 Historical high | +287 (+24.8) |
| SBI Japannext | 832 | 1,097 Historical high | +265 (+31.8) |
| SBI MONEY PLAZA | 1,198 | 1,408 Historical high | +209 (+17.5) |

Note: Owing to the difference in IFRS and J-GAAP for asset assessment criteria, the figures are different from that disclosed by each company.

Profit before Income Tax Expense of Major Financial Services Business Companies (ii)

[Profit before income tax expense (IFRS)]

(Unit: JPY million, Amounts are rounded to the nearest JPY million)

| | 9M FY2014 (Apr. 2014-Dec. 2014) | 9M FY2015 (Apr. 2015-Dec. 2015) | YoY change (YoY % change) |
|---|------------------------------------|--|------------------------------|
| SBI Insurance | -221 | -521 | -300 (—) |
| SBI Sumishin Net Bank (Shares of results of associates using the equity method) | 5,569 * | 2,005 | -3,564 (-64.0) |
| SBIH Comparison Website Business | 1,142 | 1,296 Historical high | +154 (+13.5) |
| SBI Remit | -116 | 60 Historical high | +176 (—) |
| SBI Benefit Systems | 112 | 250 Historical high | +138 (+123.7) |

Note: Owing to the difference in IFRS and J-GAAP for asset assessment criteria, the figures are different from that disclosed by each company

* Recorded JPY 3.3bn of profit on revaluation of securities in 3Q FY2014, due to the change in the valuation of treasuries held. ¹²

[State of the Major Financial Services Business Companies]

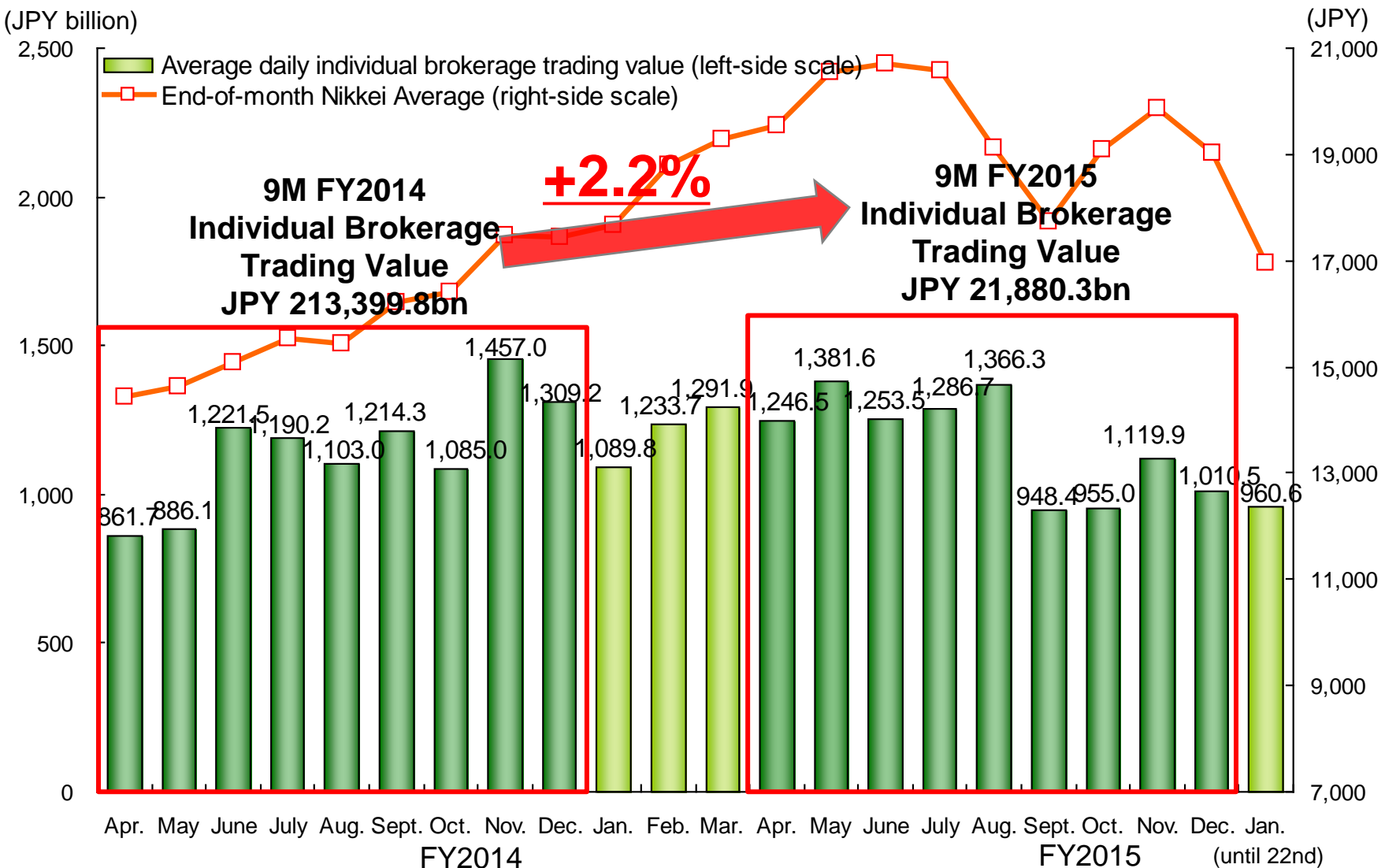
- ① SBI SECURITIES**
- ② SBI Liquidity Market, SBI FXTRADE**
- ③ SBI Japannext (PTS)**
- ④ SBI Sumishin Net Bank**
- ⑤ Insurance Business**
- ⑥ SBI MONEY PLAZA**

① SBI SECURITIES

- While the individual stock brokerage trading value of the Tokyo and Nagoya stock markets increased merely 2.2%, that of SBI SECURITIES increased 12.0% year-on-year, leading to an achievement of significant increases in both operating revenue and profits. Operating revenue and all profit categories recorded an historical high
- Share of individual stock trading value continued to increase by 3.8 percentage points year-on-year to 41.3%. Of which share of individual margin trading value further increased by 5.8 percentage points year-on-year to 45.3%
- As a result of focusing on the sales of stable revenue generating products, investment trust balance recorded an historical high. Additionally, financial revenue rose 18.0% year-on-year, owing to a significant increase in the open interest credit balance

Trend of the Average Daily Individual Brokerage Trading Value

Average daily individual brokerage trading value (2 Market total *)



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

Source: Compiled by SBIH from disclosed data from TSE

SBI SECURITIES 9M FY2015 Period Consolidated Results (J-GAAP)

Operating revenue and all profit categories recorded an historical high

[Year-on-year]

(Unit: JPY million)

| | 9M FY2014 (Apr. 2014 –Dec. 2014) | 9M FY2015 (Apr. 2015 –Dec. 2015) | YoY % change |
|--|-------------------------------------|-------------------------------------|-----------------|
| Operating Revenue | 55,974 | 67,221 | +20.1 |
| Net Operating Revenue | 52,290 | 62,033 | +18.6 |
| Operating Income | 24,976 | 30,205 | +20.9 |
| Ordinary Income | 25,039 | 30,199 | +20.6 |
| Profit attributable to owners of the Company | 14,635 | 18,613 | +27.2 |

* SBI SECURITIES discloses its financial results on a consolidated basis from FY2015. Also the figures and YoY changes presented above are based on the non-consolidated results for 9M FY2014

Performance Comparison of Major Online Securities Companies (J-GAAP)

[Year-on-year]

(Unit: JPY million)

| | Operating Revenue | YoY % Change | Operating Income | YoY % Change |
|---------------------------|-------------------|--------------|------------------|--------------|
| SBI (*1) (cons.) | 67,221 | +20.1 | 30,205 | +20.9 |
| Monex (*2) (cons.) | 41,905 | +13.3 | 7,377 | +35.0 |
| Rakuten (cons.) | 39,642 | +20.0 | 16,926 | +16.6 |
| Matsui | 26,611 | +4.6 | 17,176 | +4.9 |
| kabu.com | 19,185 | +11.9 | 8,449 | +18.3 |

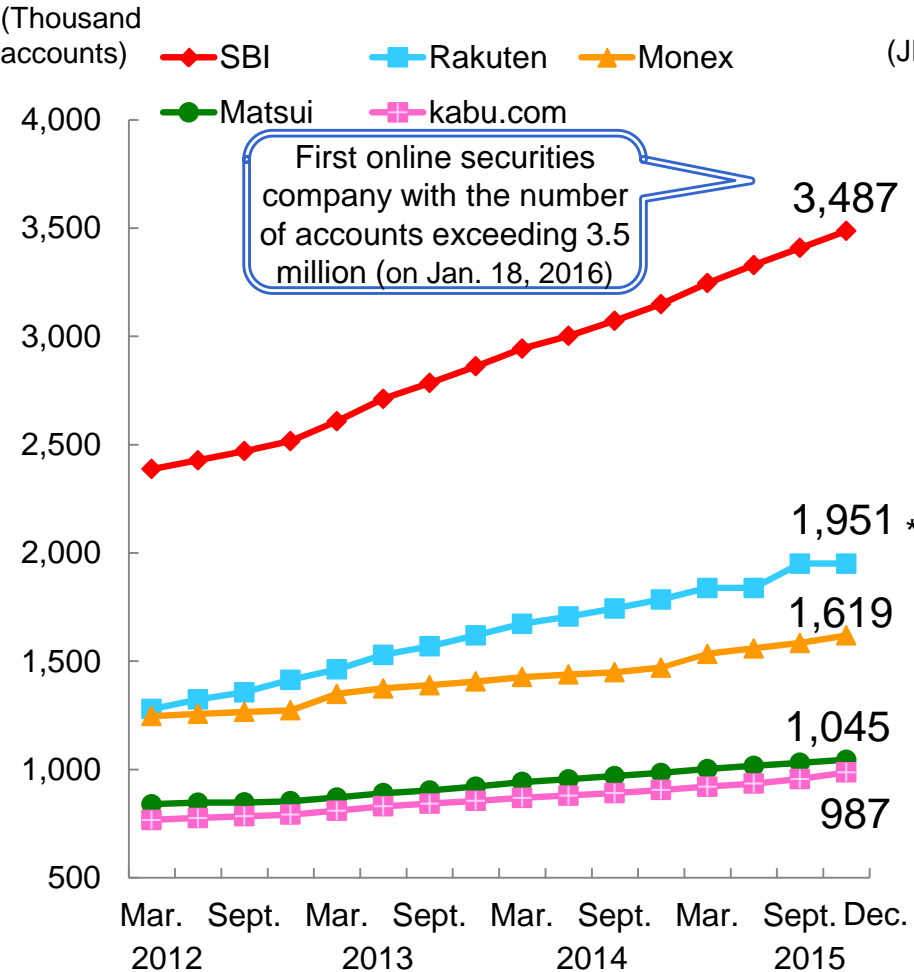
*1 SBI SECURITIES discloses its financial results on a consolidated basis from FY2015. Also the figures and YoY changes presented above are based on the non-consolidated results for 9M FY2014.

*2 From full-year FY2012, Monex adopted IFRS, so the relevant figures above are based on IFRS. The amount of “Operating Income” is “The amount equivalent to operating income” disclosed by Monex

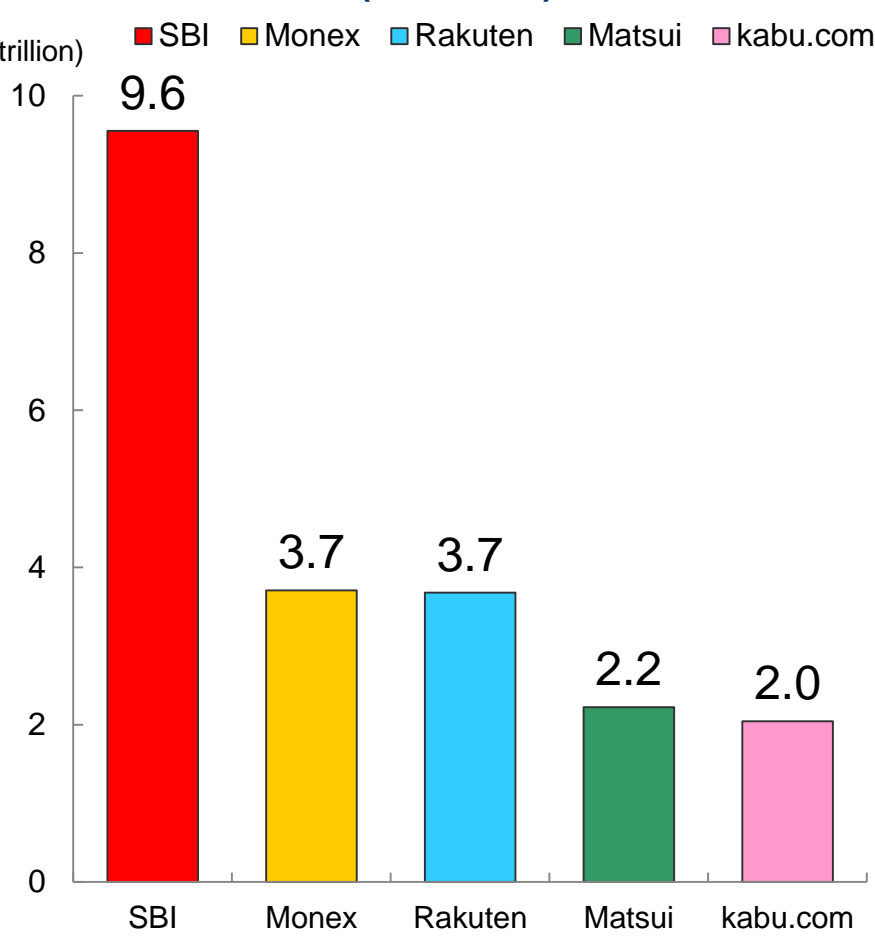
SBI SECURITIES Attains an Overwhelming Customer Base

[Number of Accounts and Amount of Customer Asset]

Customer Accounts of 5 Major Online Securities Companies
(Mar. 2012-Dec. 2015)



Customers' Deposit Assets of 5 Major Online Securities Companies
(Dec. 2015)

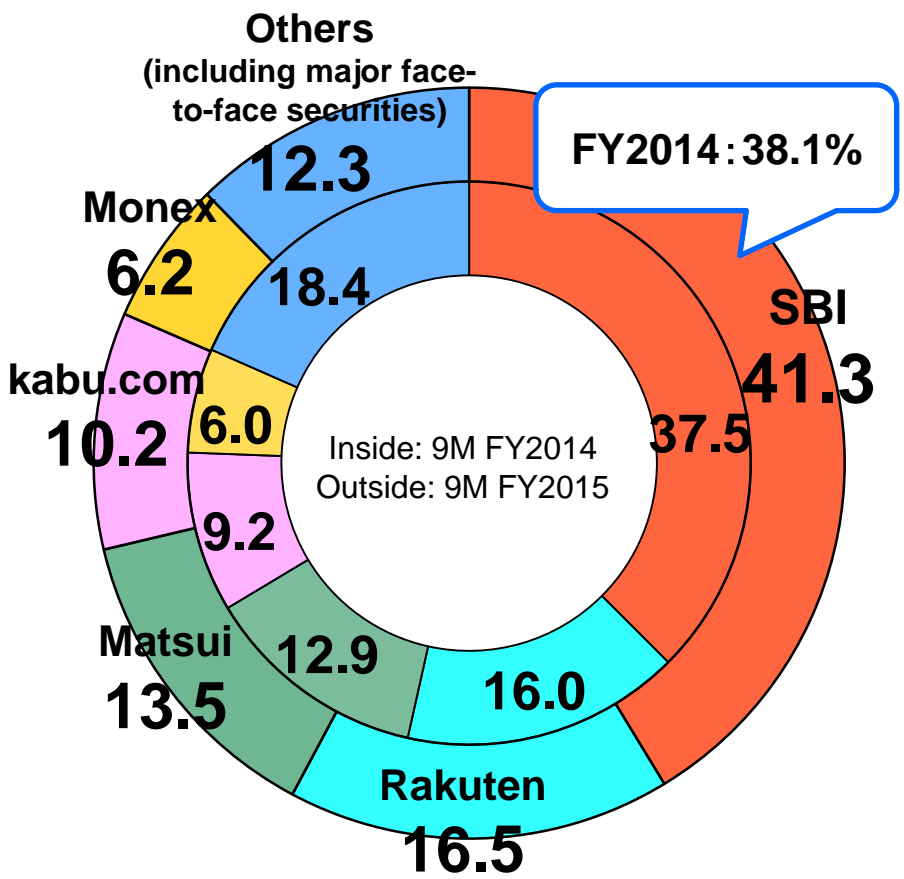


* The figure of Rakuten is that of the end of Sept. 2015 since the figure as of the end of Dec. is not disclosed.

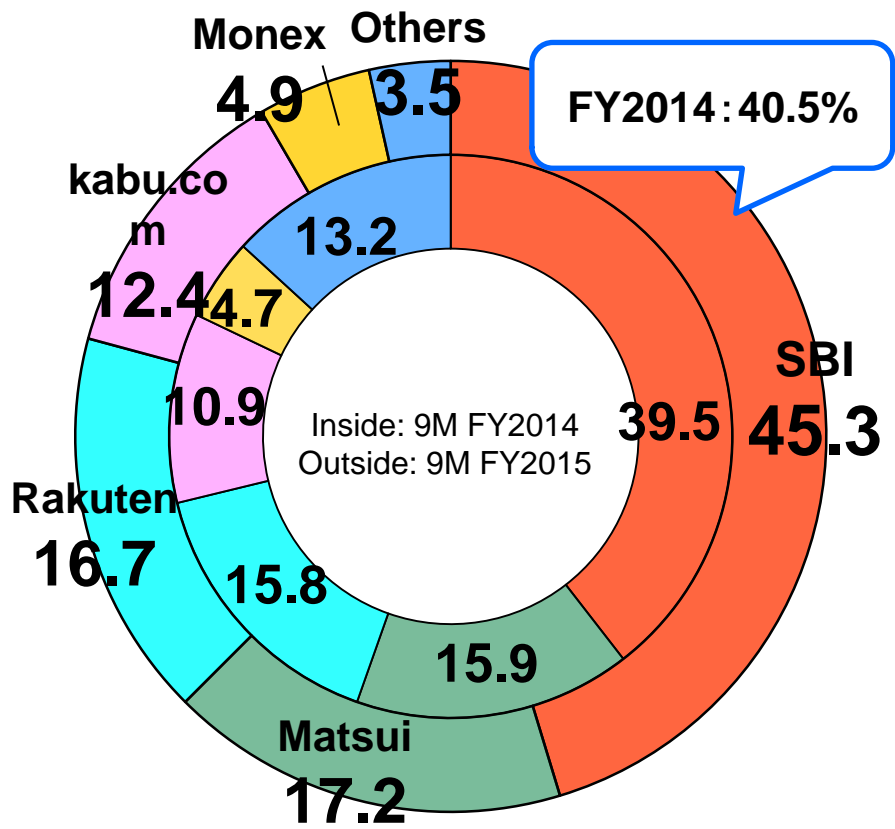
Source: Compiled by SBIH from the information on websites of each company.

SBI SECURITIES' Share of Individual Stock Trading Continues to Expand

Share of Individual Stock
Trading Value (%)
9M FY2015
(Apr. 2015-Dec. 2015)



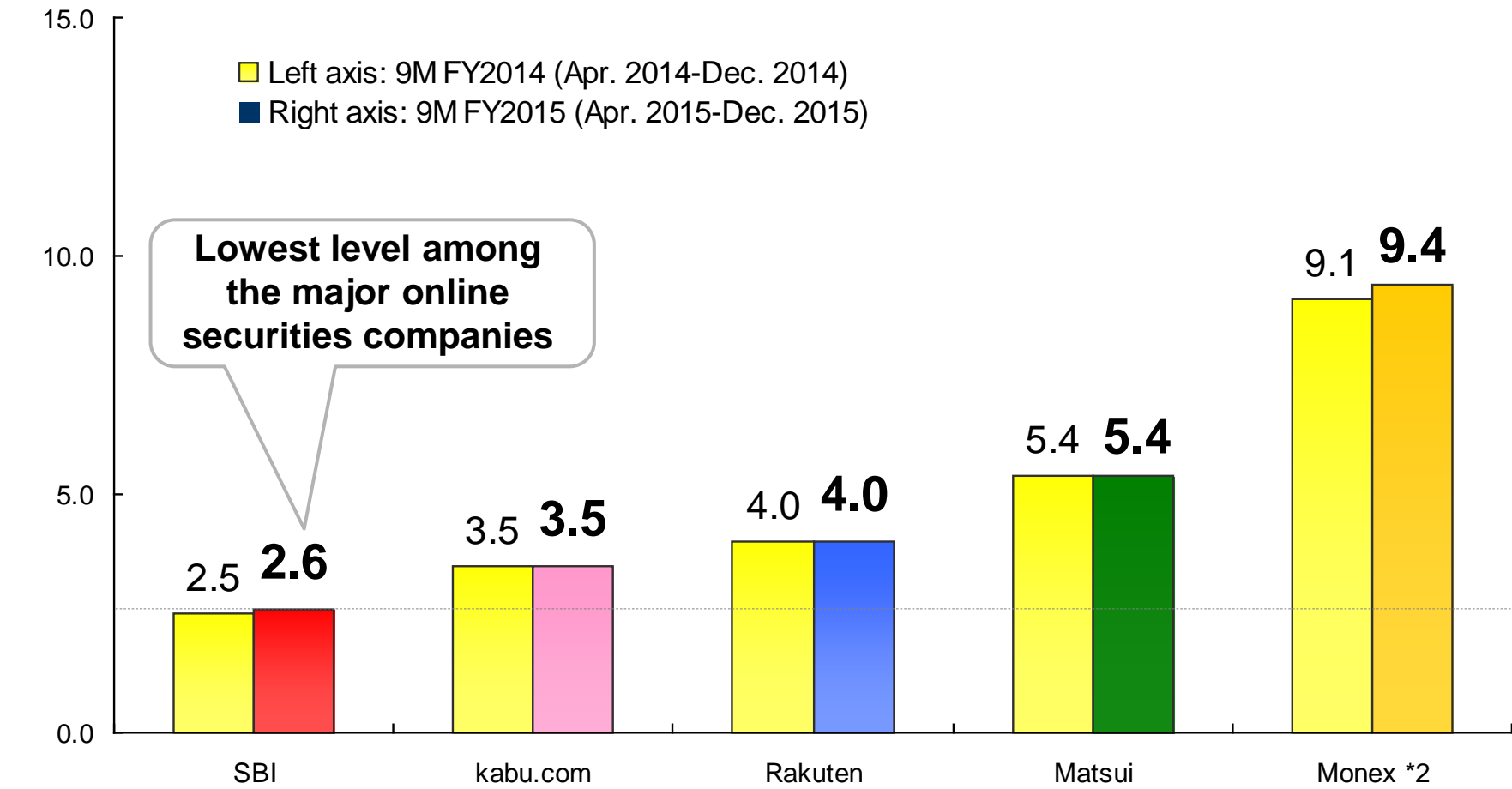
(of which) Share of Individual Margin
Trading Value (%)
9M FY2015
(Apr. 2015-Dec. 2015)



Source: Compiled by SBIH based on Tokyo Stock Exchange materials, and from information on each company's website.
* Calculated using each company's individual trading value plus the individual margin trading value of the 1st and 2nd sections of the Tokyo and Nagoya Stock Exchange (excluding trading value of ETFs).
* As for SBI SECURITIES' individual stock trading value or individual margin trading value, includes that for ETF.

Commission Rate Comparison Between the Major Online Securities Companies

(Basis point) (Calculated as commissions divided by stock brokerage trading value)



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

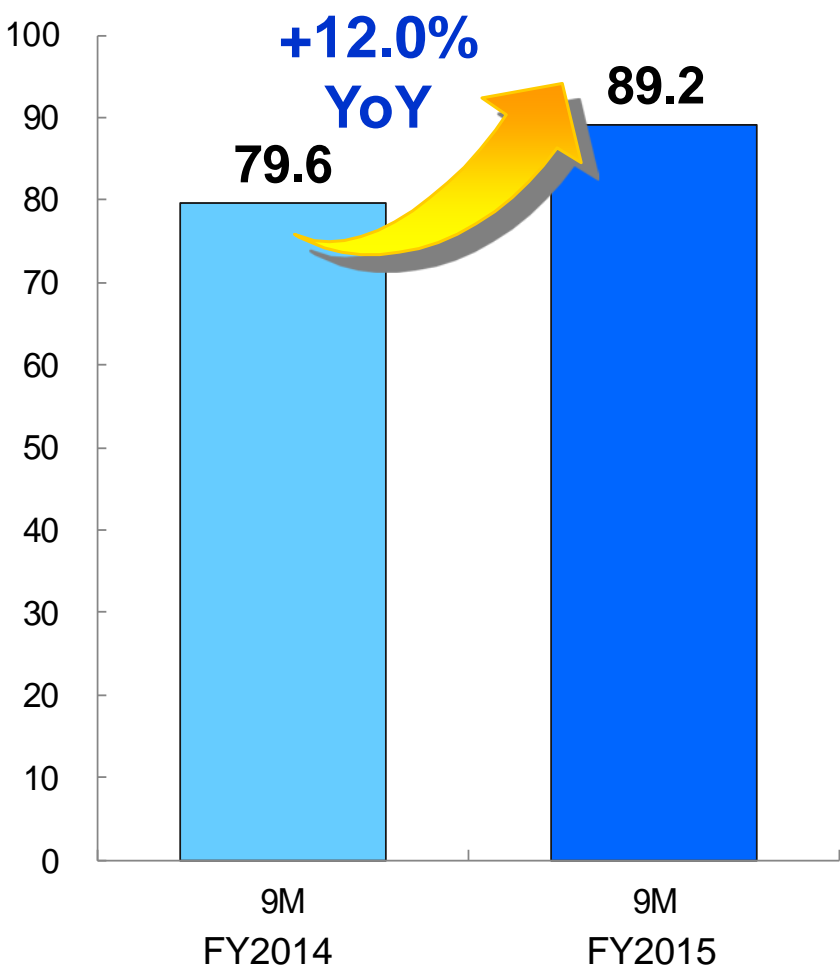
*2 Figures of Monex are based on commission of Monex, Inc.'s commission figures

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

SBI SECURITIES' Stock Brokerage Trading Value and Commissions Dramatically Increased

Stock Brokerage Trading Value

(JPY trillion)



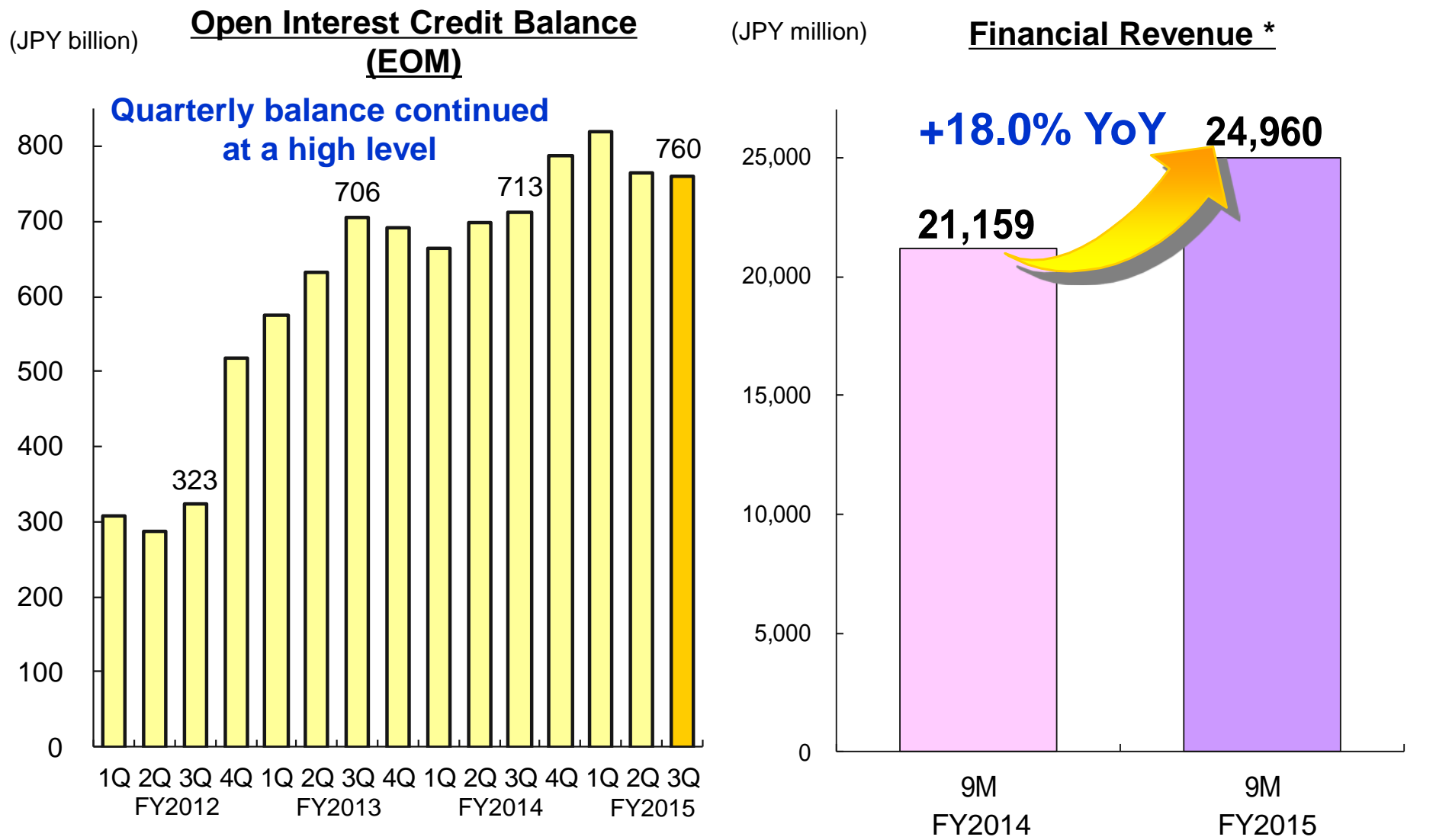
Commissions*

(JPY million)



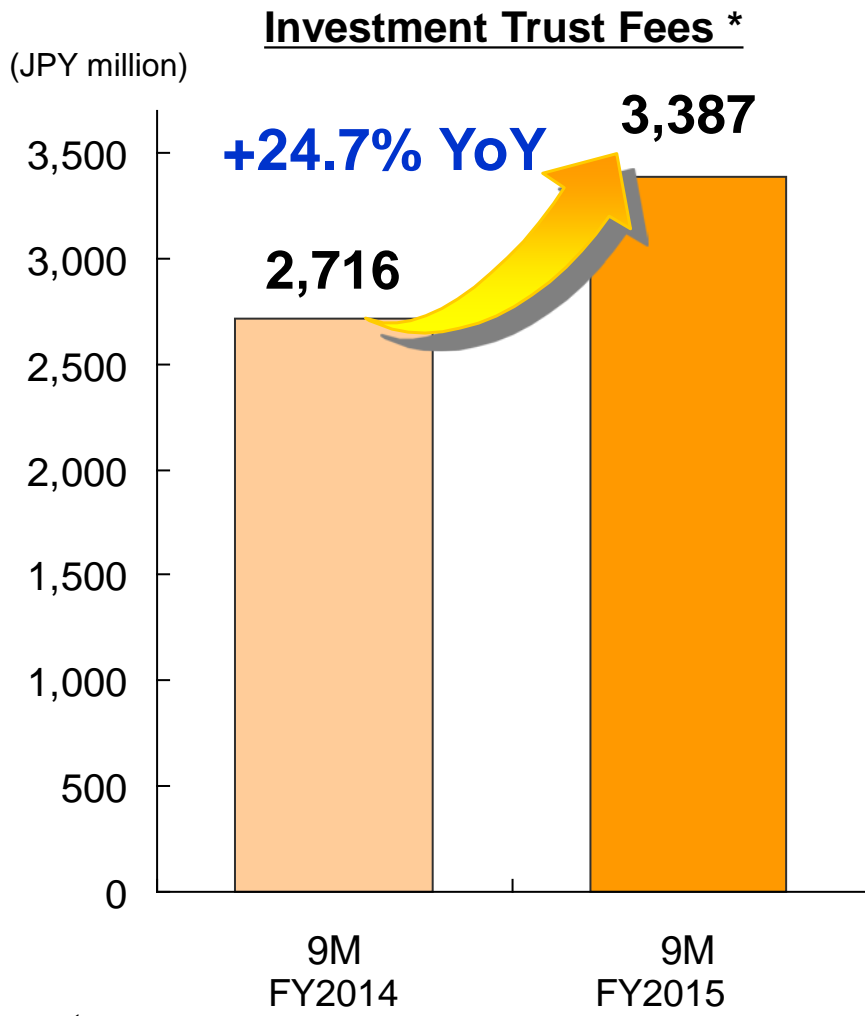
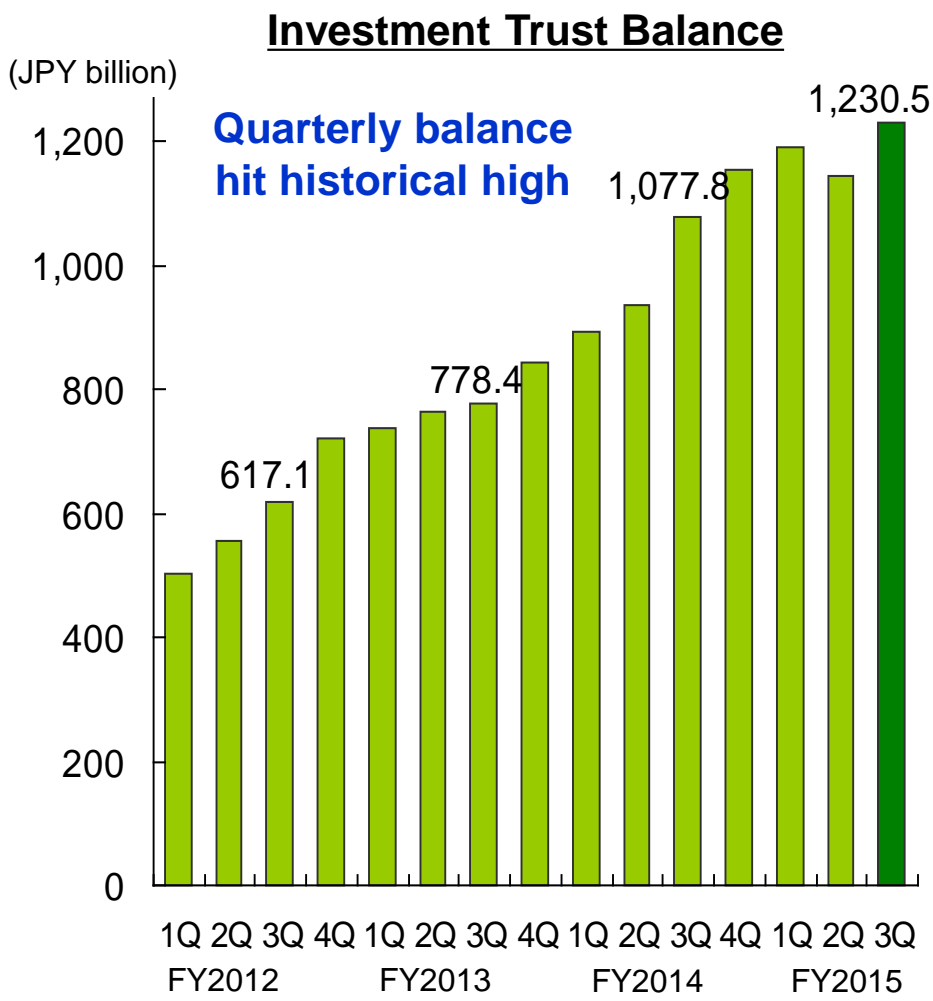
* SBI SECURITIES discloses its financial results on a consolidated basis from FY2015. Also the figures and YoY changes presented above are based on the non-consolidated results for 9M FY2014

SBI SECURITIES' Financial Revenue and Open Interest Credit Balance



* SBI SECURITIES discloses its financial results on a consolidated basis from FY2015. Also the figures and YoY changes presented above are based on the non-consolidated results for 9M FY2014

Both SBI SECURITIES' Investment Trust Balance and Investment Trust Fees were at Record High Levels



* Includes MMF, deposits of Chinese Fund and deposits of face-to-face accounts.
* Investment trust fees is included in "Other commission received".
* Trust fee excludes MRF.

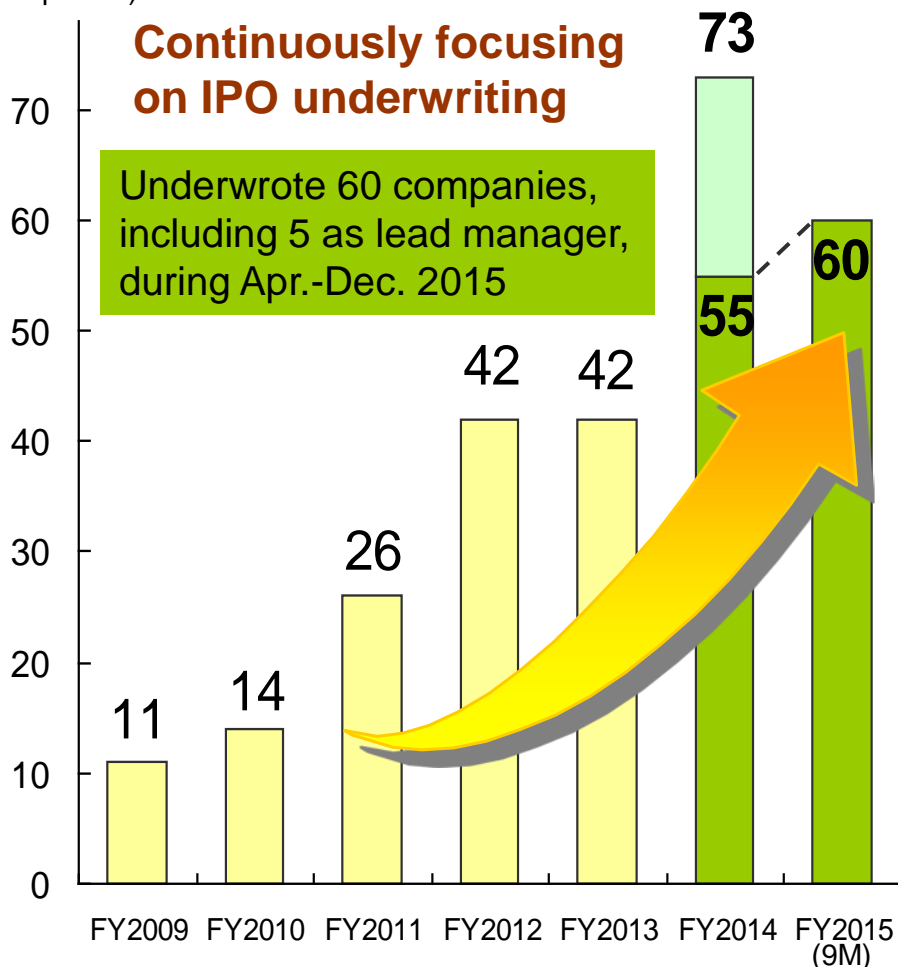
* SBI SECURITIES discloses its financial results on a consolidated basis from FY2015. Also the figures and YoY changes presented above are based on the non-consolidated results for 9M FY2014

① SBI SECURITIES:

SBI SECURITIES is an Industry Leader in Terms of the Number of IPOs Underwritten, and will Continue to be Focused on Expanding the IPO Underwriting Business

Number of IPOs Underwritten by SBI SECURITIES

(No. of companies)



* The above figures do not include consignments. Based on listing date. The figures exclude brokerage sales and REITs.

* The number of IPOs does not include issues listed on TOKYOAIM.

IPO Underwriting Ranking (Apr.-Dec. 2015)

71 companies were listed during the period

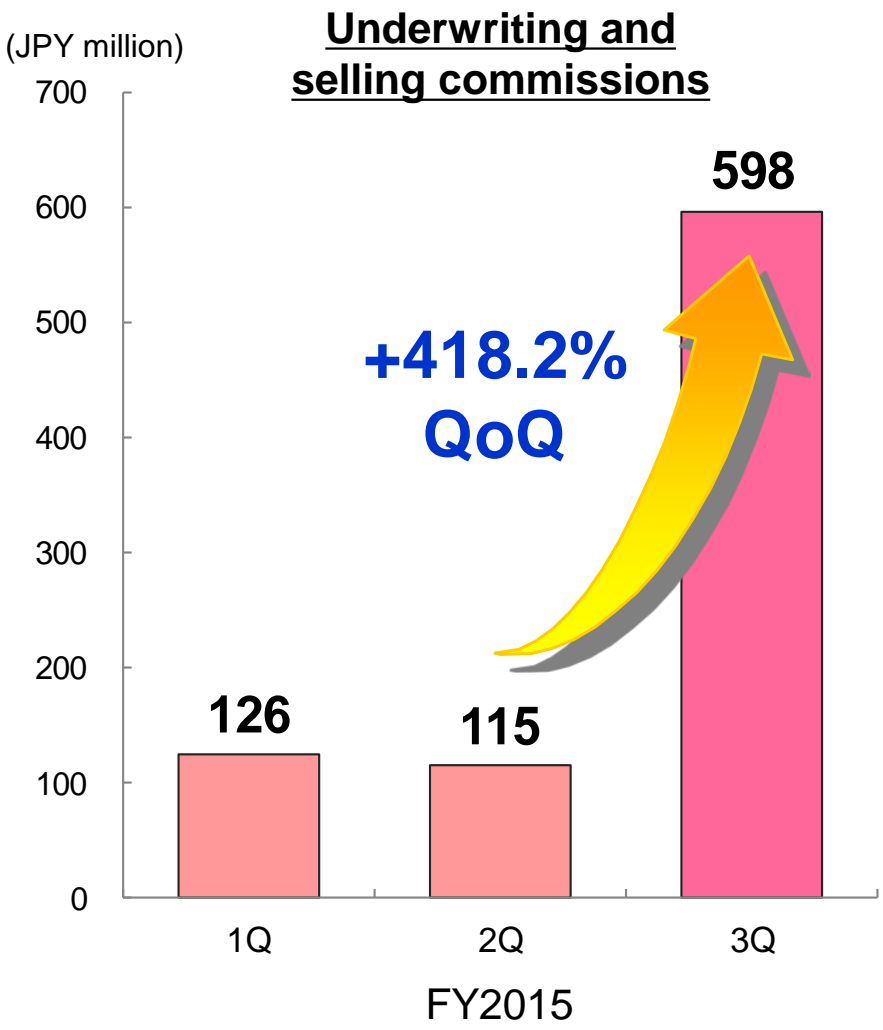
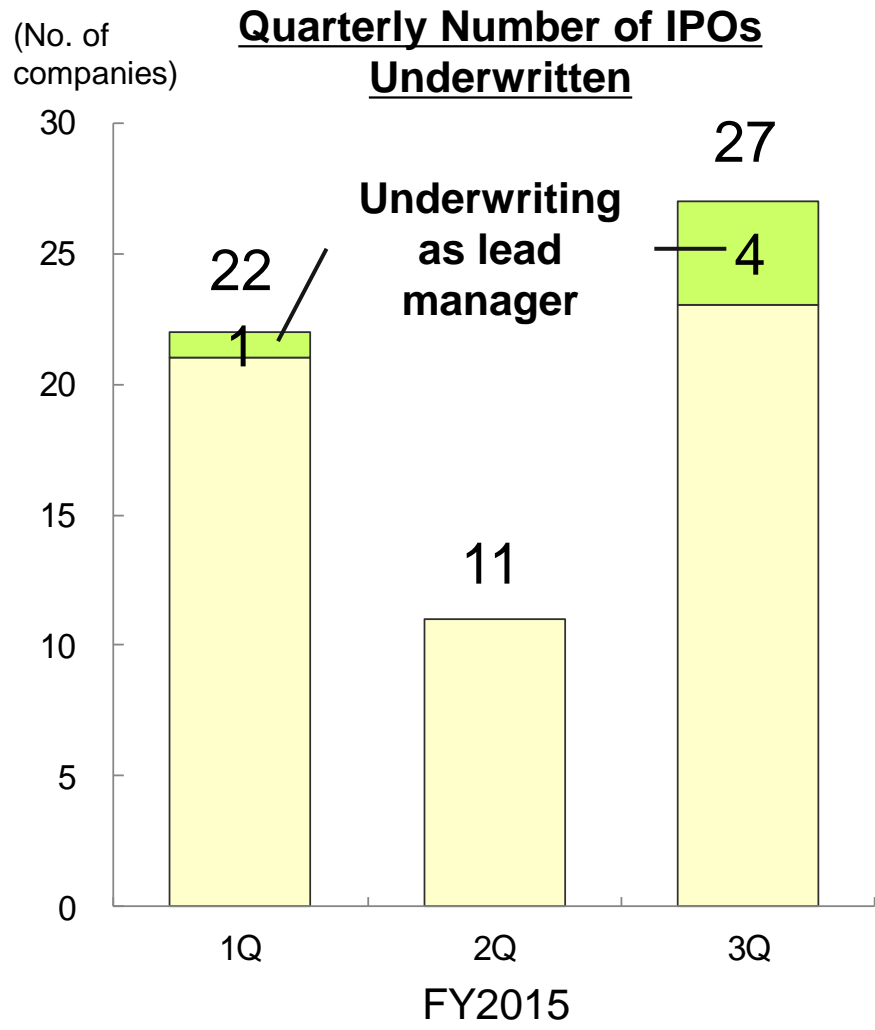
| Company name | No. of cases | Underwriting share (%) |
|---------------|--------------|------------------------|
| SBI | 60 | 84.5 |
| Nikko | 54 | 76.1 |
| Mizuho | 53 | 74.6 |
| Nomura | 37 | 52.1 |
| Daiwa | 35 | 49.3 |
| Monex | 35 | 49.3 |
| Ace | 35 | 49.3 |

* The above IPOs represent issues underwritten in Japan only and do not include additional secondary offerings or overseas issues.

* The number of underwritten issues represents both lead managed underwritings and syndicate participation.

* The data was compiled by SBIH based on each company's published information.

SBI SECURITIES' Underwriting and Selling Commissions Significantly Increased, Owing to an Expansion in IPO Underwriting



* The above figures do not include consignments. Based on listing date. The figures exclude brokerage sales and REITs.
* The number of IPOs does not include issues listed on TOKYOAIM.

② SBI Liquidity Market, SBI FXTRADE

- Group's total FX trading accounts and deposit assets have overwhelmingly surpassed that of its competitors
- SBI Liquidity Market's operating income before allocation for 9M FY2015 was approx. JPY 9.5bn, up 17.6% year-on-year, which achieved a record high
- SBI FXTRADE continuously increased its customer base and customer deposit assets strongly, and its operating income rose 24.8% year-on-year

② SBI Liquidity Market, SBI FXTRADE:

The SBI Group's (SBI SECURITIES, SBI FXTRADE and SBI Sumishin Net Bank) Total Number of Accounts and Customer Deposit Assets have Overwhelmingly Surpassed That of Its Competitors in the OTC FX Industry

Number of FX Trading Accounts (Nov. 2015)

| No. | Company name | Number of accounts |
|-----|-----------------------------|--------------------|
| 1 | SBI Group | 672,747 |
| 2 | DMM.com | 472,457 |
| 3 | GMO CLICK | 413,160 |
| 4 | Gaitame.com | 399,023 |
| 5 | YJFX | 279,577 |
| 6 | MONEY PARTNERS | 265,521 |
| 7 | Traders Securities | 253,580 |
| 8 | Hirose FX | 188,876 |
| 9 | FX PRIME by GMO Corporation | 163,108 |
| 10 | Central Tanshi FX | 156,308 |
| 11 | MONEY SQUARE JAPAN | 88,793 |
| 12 | Ueda Harlow | 53,060 |
| | Other (1 company) | 59,106 |
| | Total | 3,465,316 |

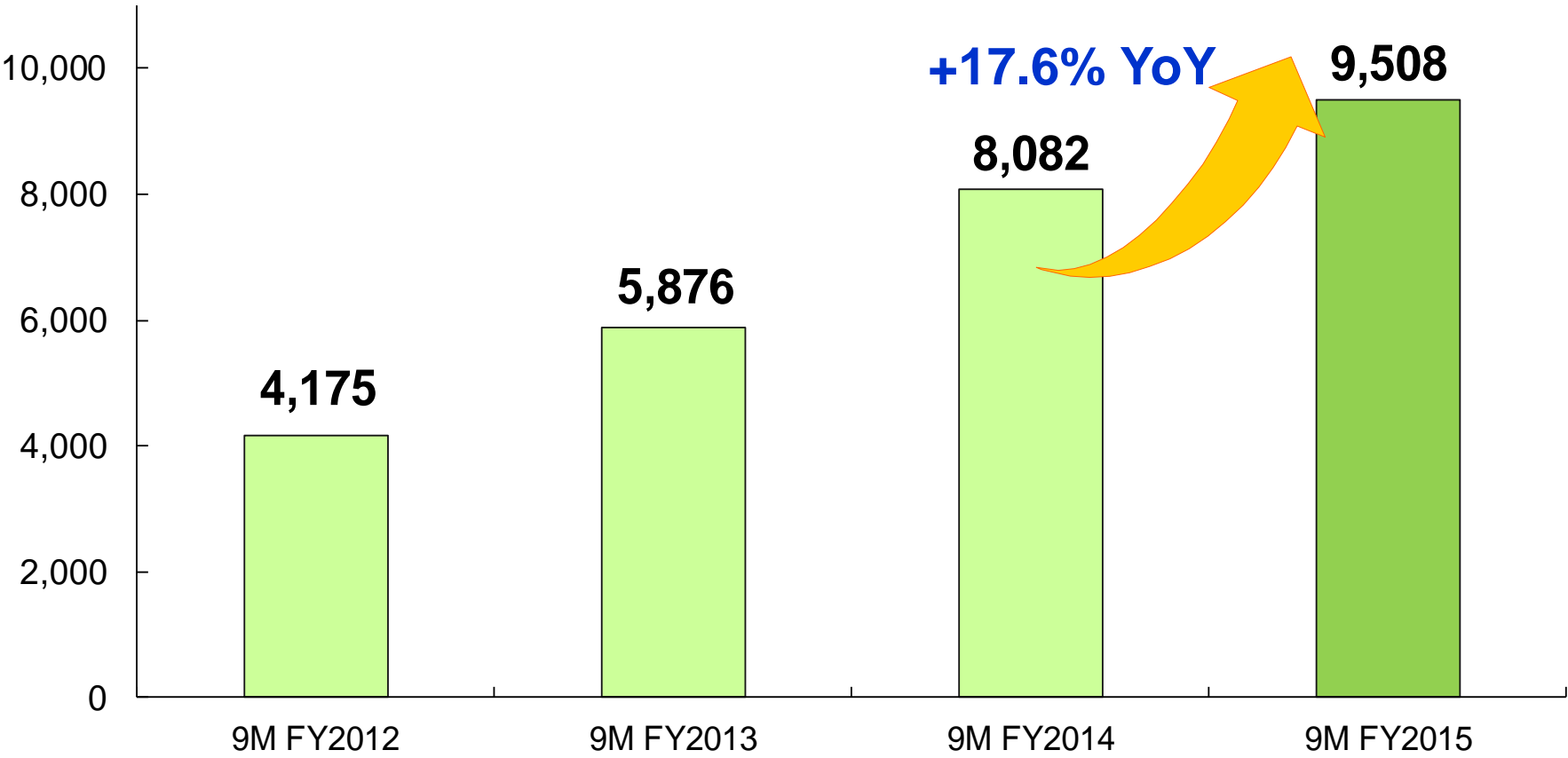
Customers' Deposit Assets Raking (Nov. 2015)

| No. | Company name | Amount (JPY million) |
|-----|-----------------------------|----------------------|
| 1 | SBI Group | 186,298 |
| 2 | GMO CLICK | 126,632 |
| 3 | Gaitame.com | 112,198 |
| 4 | DMM.com | 103,791 |
| 5 | YJFX | 99,898 |
| 6 | Central Tanshi FX | 68,787 |
| 7 | MONEY SQUARE JAPAN | 66,364 |
| 8 | MONEY PARTNERS | 50,355 |
| 9 | Hirose FX | 29,532 |
| 10 | FX PRIME by GMO Corporation | 15,957 |
| 11 | Traders Securities | 13,511 |
| 12 | Ueda Harlow | 12,050 |
| | Other (1 company) | 8,440 |
| | Total | 893,813 |

SBI Liquidity Market’s 9M FY2015 Operating Income before Allocation Achieved a Record High

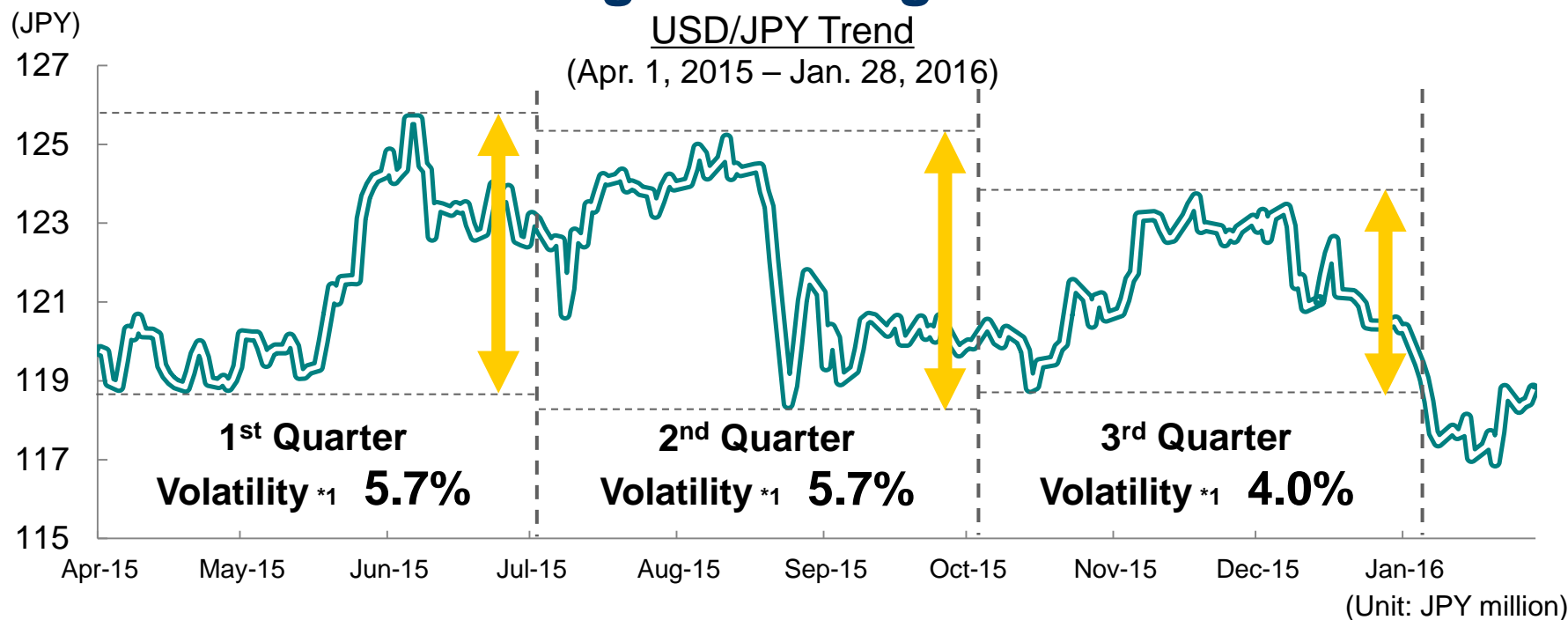
Operating Income Before Allocation
(JPY million)

SBI Liquidity Market’s “Operating Income Before Allocation” represents the amount before its allocation of profits to affiliated companies: SBI SECURITIES, SBI Sumishin Net Bank and SBI FXTRADE



* Based on J-GAAP

Trend of the Foreign Exchange Market in FY2015



| | Service launch | Number of accounts | Deposits (JPY billion) | Operating income (J-GAAP) | | YoY % change |
|--------------------------------|---------------------------------|-------------------------------|-----------------------------|---------------------------|--------------|--------------|
| | | | | 9M FY2014 | 9M FY2015 | |
| SBI Group *₂ | Nov. 2008 [of SBI LM] | 726,723 (Dec. 2015) | 179.5 (Dec. 2015) | 8,082 | 9,508 | +17.6 |
| (SBI FXT) | May 2012 | 119,162 (Dec. 2015) | 35.4 (Dec. 2015) | 1,154 | 1,440 | +24.8 |

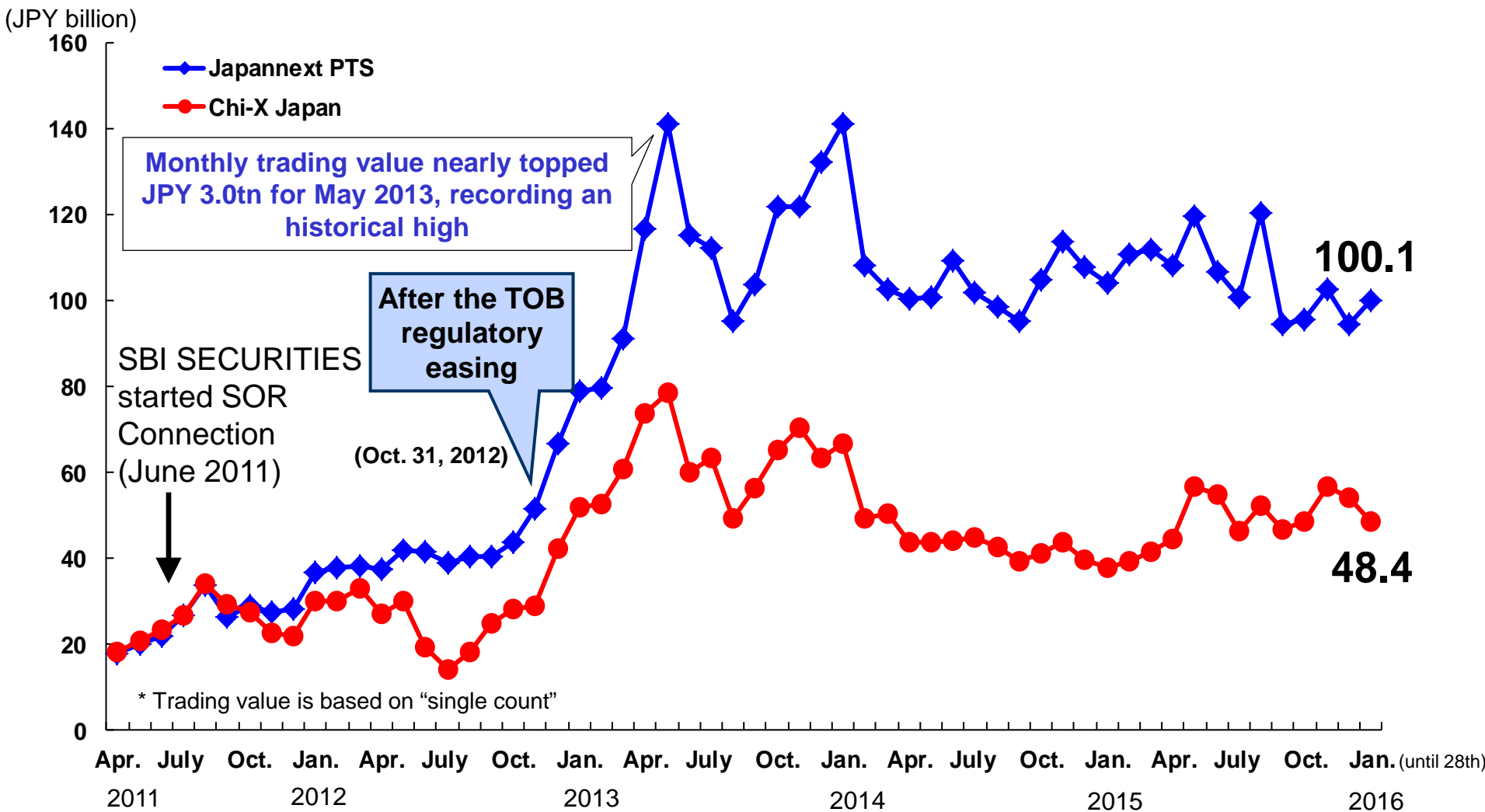
*1 Presents the ratio of volatility between the highest and lowest value during the period.

*2 Operating income of the SBI Group is SBI Liquidity Market's operating income before allocation which represents the amount before its allocation of profits to affiliated companies: SBI SECURITIES, SBI Sumishin Net Bank and SBI FXTRADE

③ SBI Japannext (PTS)

- SBI Japannext's operating income for 9M FY2015 increased by 33.8% year-on-year, to achieve record high

Average Daily Trading Value at Japannext PTS



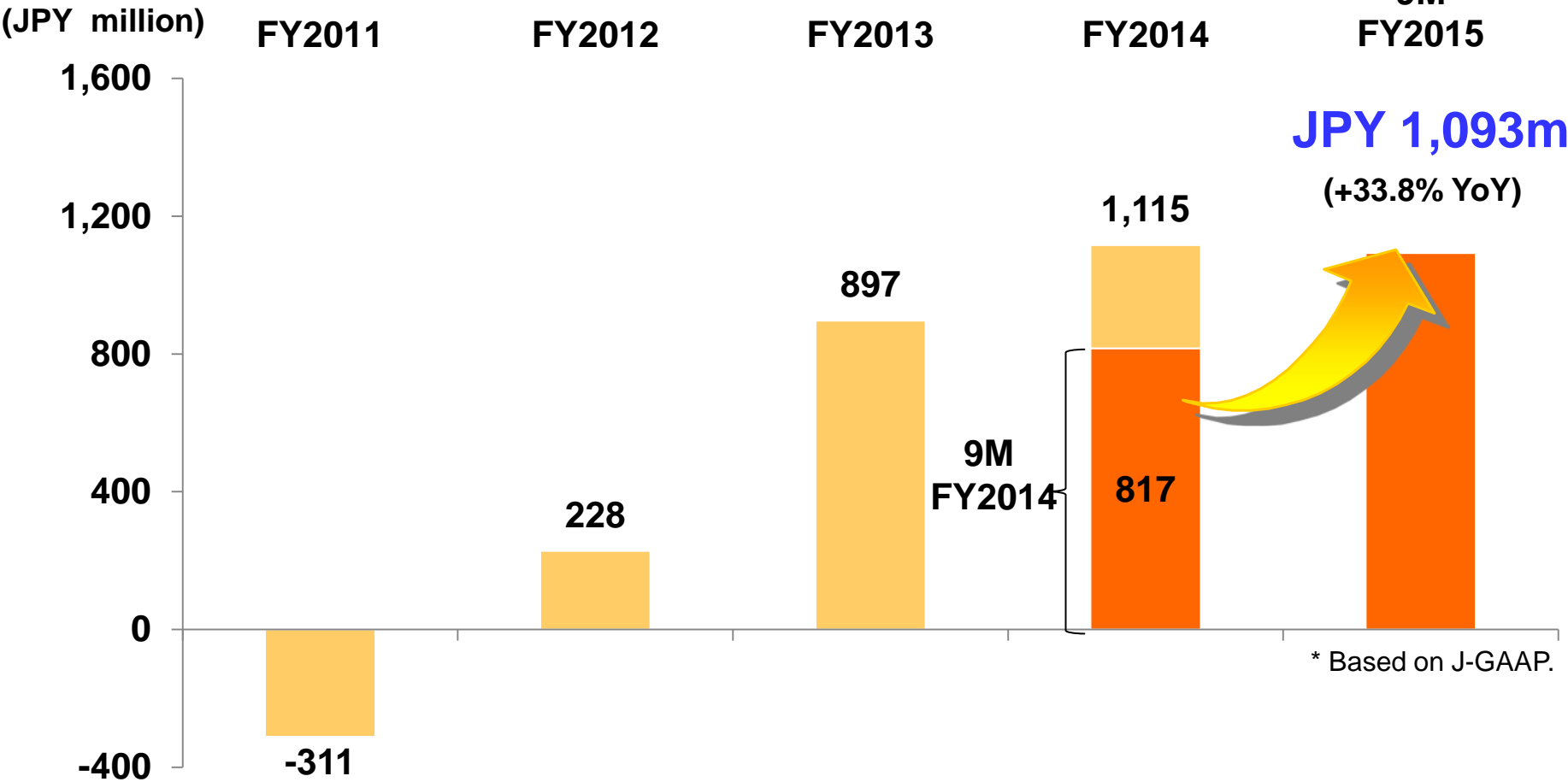
TOB (take-over-bid) regulation

The regulation obliges 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 conduct a takeover bid. This had hindered large institutional investors from utilizing the PTS.

SBI Japannext's Operating Income for 9M FY2015 Achieved JPY 1,093m, Steadily Increase of 33.8% Year-on-year

Change in SBI Japannext's Operating Income
(Consolidated in Sept. 2012)

3Q (Oct.-Dec. 2015)
+1.3% QoQ



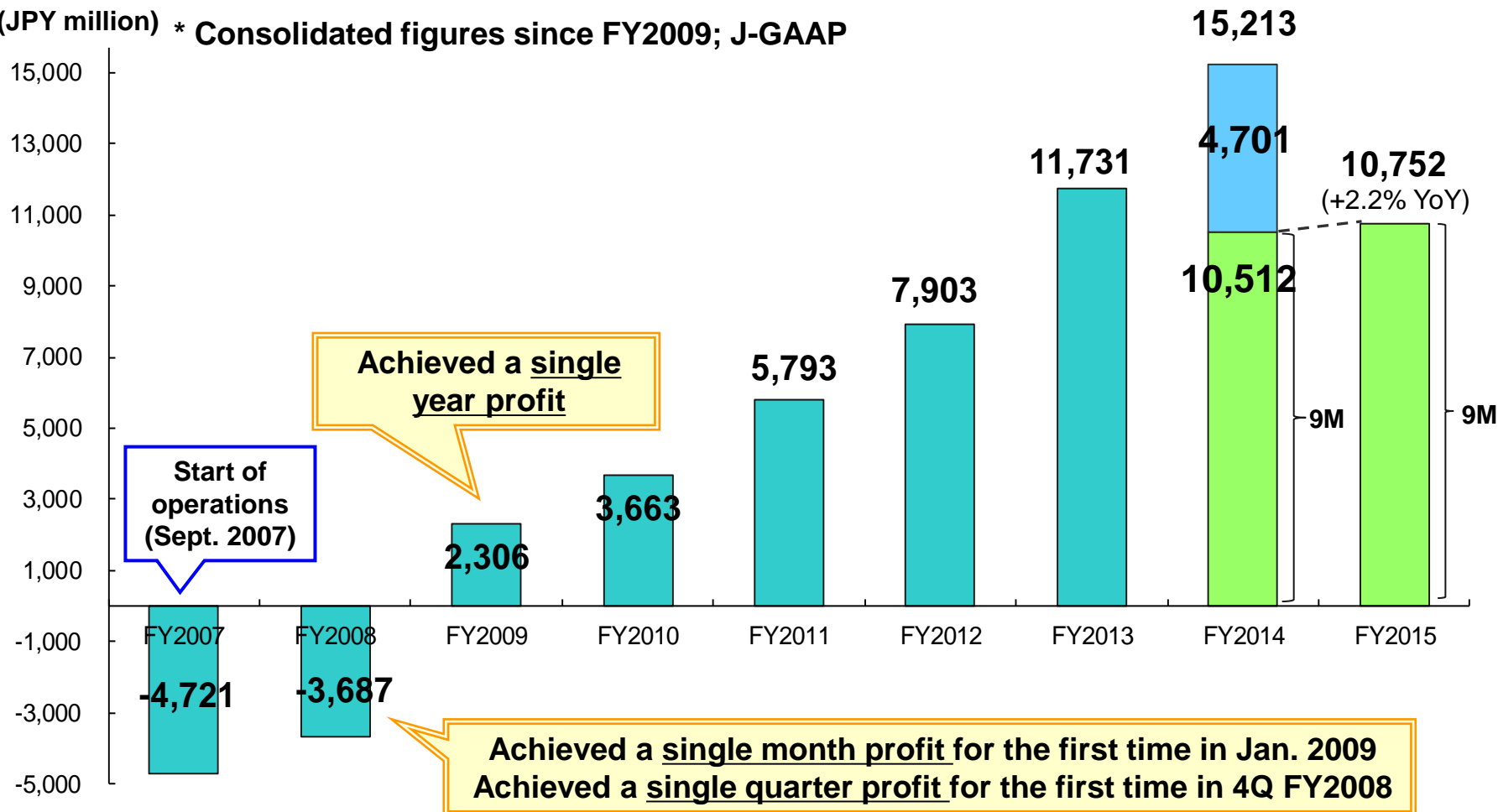
④ SBI Sumishin Net Bank

- Ordinary income for 9M FY2015 was JPY 10.8bn, increase of 2.2% year-on-year
- As of the end of Dec. 2015, there were approx. 2.52 million accounts, with deposits of approx. JPY 3.6tn, and a steadily expanding business base
- While the balance of housing loans continues to steadily expand, primarily with the “MR. Housing Loan” product, in order to expand the housing loans product offering, started a full-scale offering of “Flat 35” in Sept. 2015
- Balance of card loans surpassed JPY 100bn in Oct. 2015. Specific purpose loan products also steadily contributed to the balance, advancing the diversification of investment sources

Change in Ordinary Income after Start of Operations

~ Ordinary income for 9M FY2015 was JPY 10.8bn, increase of 2.2% year-on-year~

(JPY million) * Consolidated figures since FY2009; J-GAAP



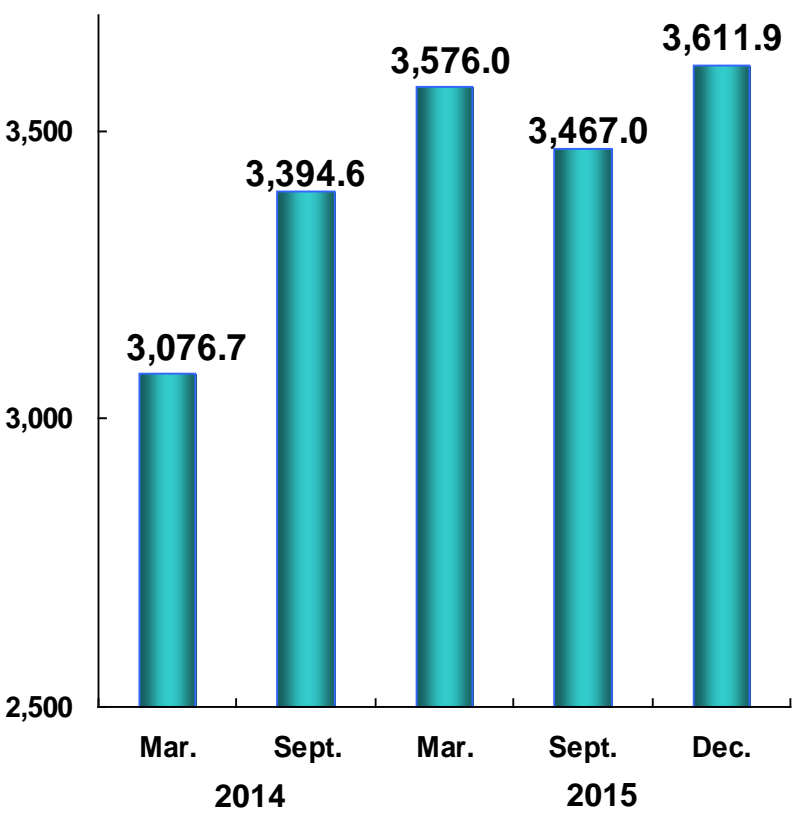
Deposit Balance Steadily Increasing

~ Deposits as of the end of Dec. 2015: Approx. JPY 3.6tn ~

**Number of accounts: 2,521,567 / Deposits: JPY 3,611.9bn
(as of the end of Dec. 2015)**

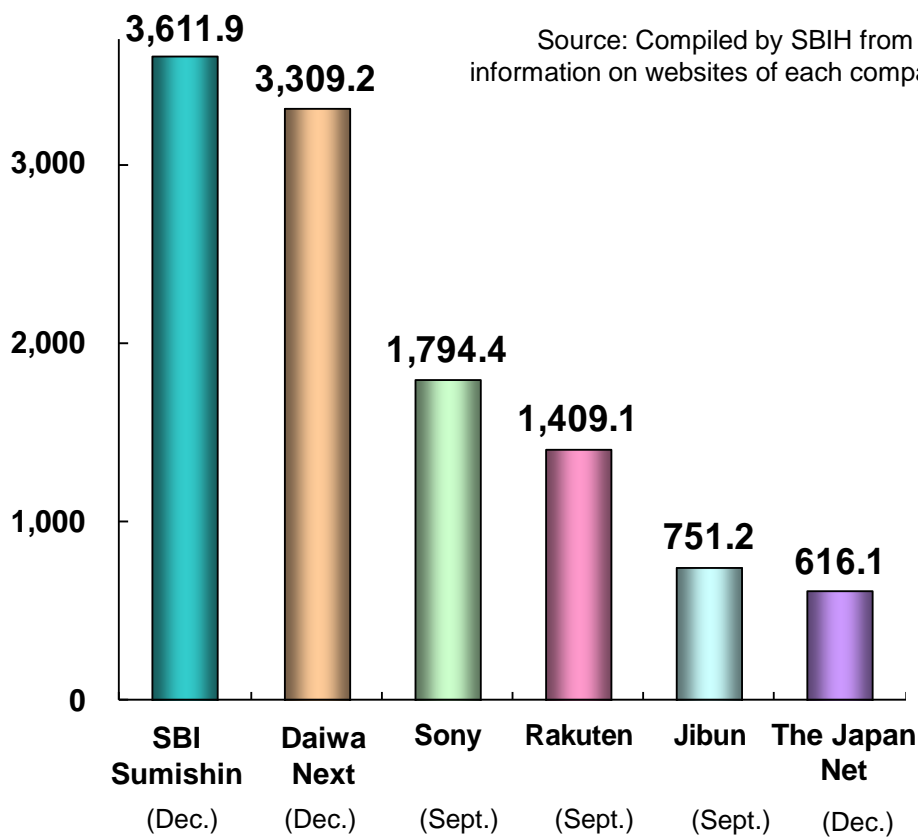
Change in SBI Sumishin Net Bank's Deposits

(JPY billion)



**Deposits of 6 Internet Banks
(Based on the latest data disclosure by each company)**

(JPY billion)



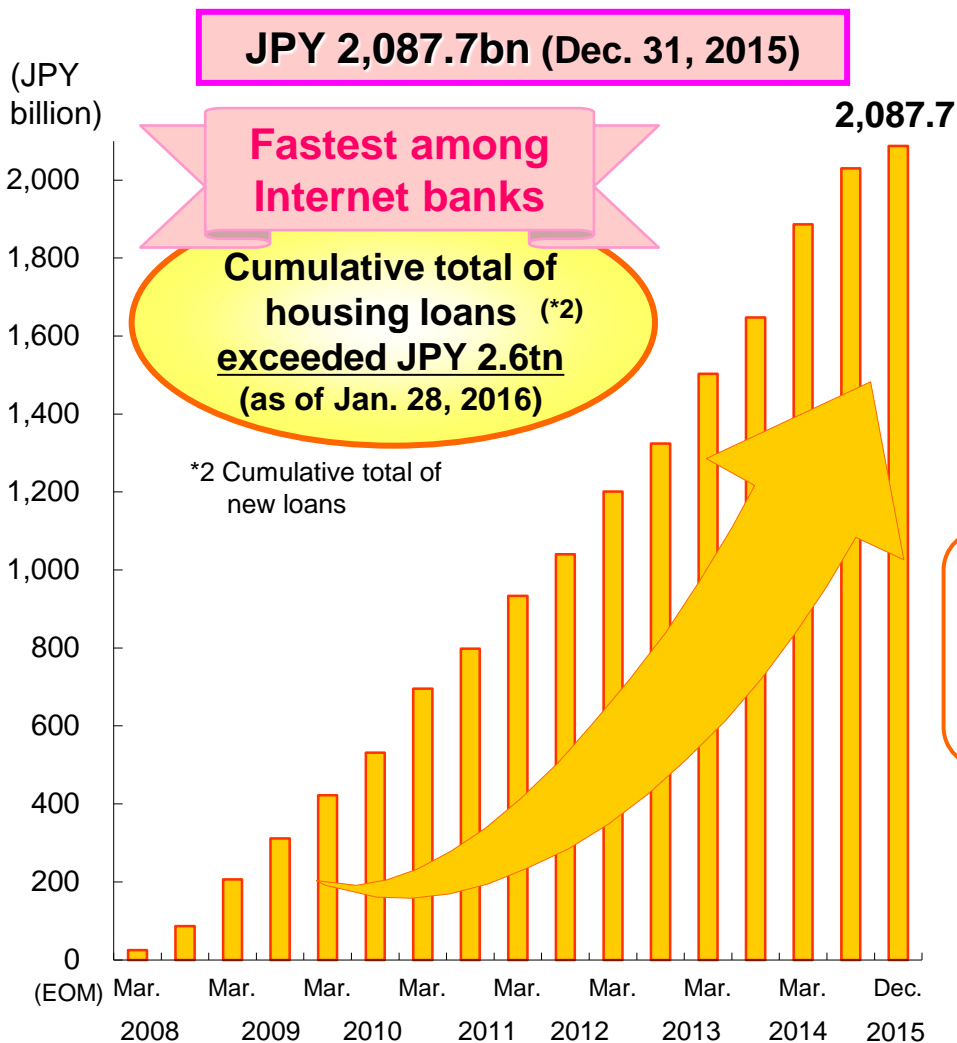
Source: Compiled by SBIH from the information on websites of each company

* Amounts are rounded to the nearest JPY 100 million.

Diversification of Loans with Deposits Accumulating

Change in Balance of Housing Loans *1 (Mar. 2008 – Dec. 2015)

*1 Deducts repayments from the cumulative total of new loans. Includes housing loans extended as a banking agency of Sumitomo Mitsui Trust Bank.



SBI Sumishin Net Bank's housing loans business:

- ① **Housing loans processed directly by SBI Sumishin Net Bank**
 - Via alliance with real estate companies (from Sept. 2007)
 - “MR. Housing Loan” (from Nov. 2013)
- ② **Banking Agency Business for Sumitomo Mitsui Trust Bank (from Jan. 2012)**

In order to expand the housing loans product offering, started a **full-scale offering of “Flat 35,” a long-term fixed-rate product** from Sept. 2015

In order to accommodate a further increase in the number of applications, promoting an increase in the number of alliance partners

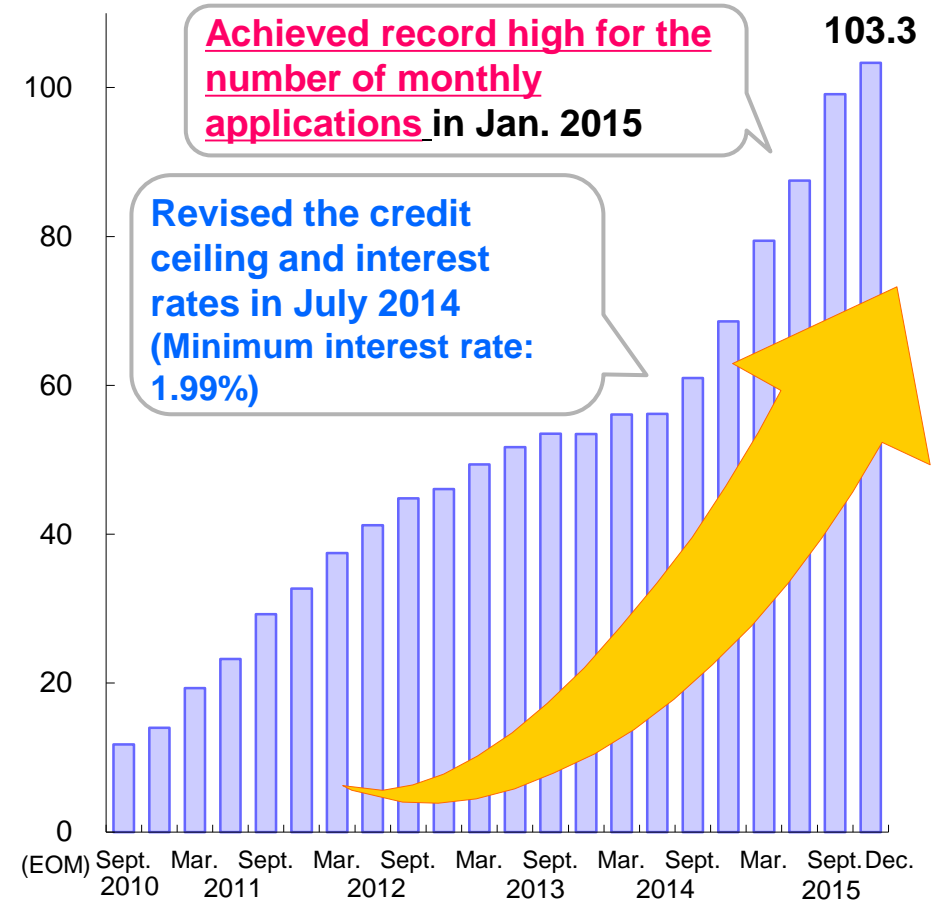
SBI Suminshin Net Bank's Loan Offerings, Such as Card Loans and Specific Loans Steadily Expanding

Changes in the Balance of Card Loans

(Sept. 2010-Dec. 2015)

JPY 103.3bn (Dec. 31, 2015)

(JPY billion) Balance exceeded JPY 100bn on Oct. 19, 2015



Specific purpose loans

(as of the end of Dec. 2015)

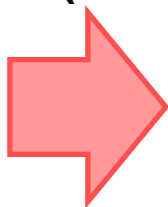
➡ Service launched in May 2013
Balance: JPY 12.2bn

Balance of loans increased 1.5 times YoY

In addition to the card loans, which topped a balance of JPY 100bn, the specific purpose loan balance is also steadily increasing

Through the Acquisition of SBI Card, Cultivating the Credit Card Business as One of the Core Businesses

(Oct. 1, 2015)



Development of products and services with high affinity for SBI Sumishin Net Bank's card loans

Endeavoring to achieve profitability in the credit card business in FY2016, by focusing the Group's full-scale efforts

SBI Card's 3Q FY2015 (Oct.-Dec. 2015) loss before income tax expense: JPY 287m

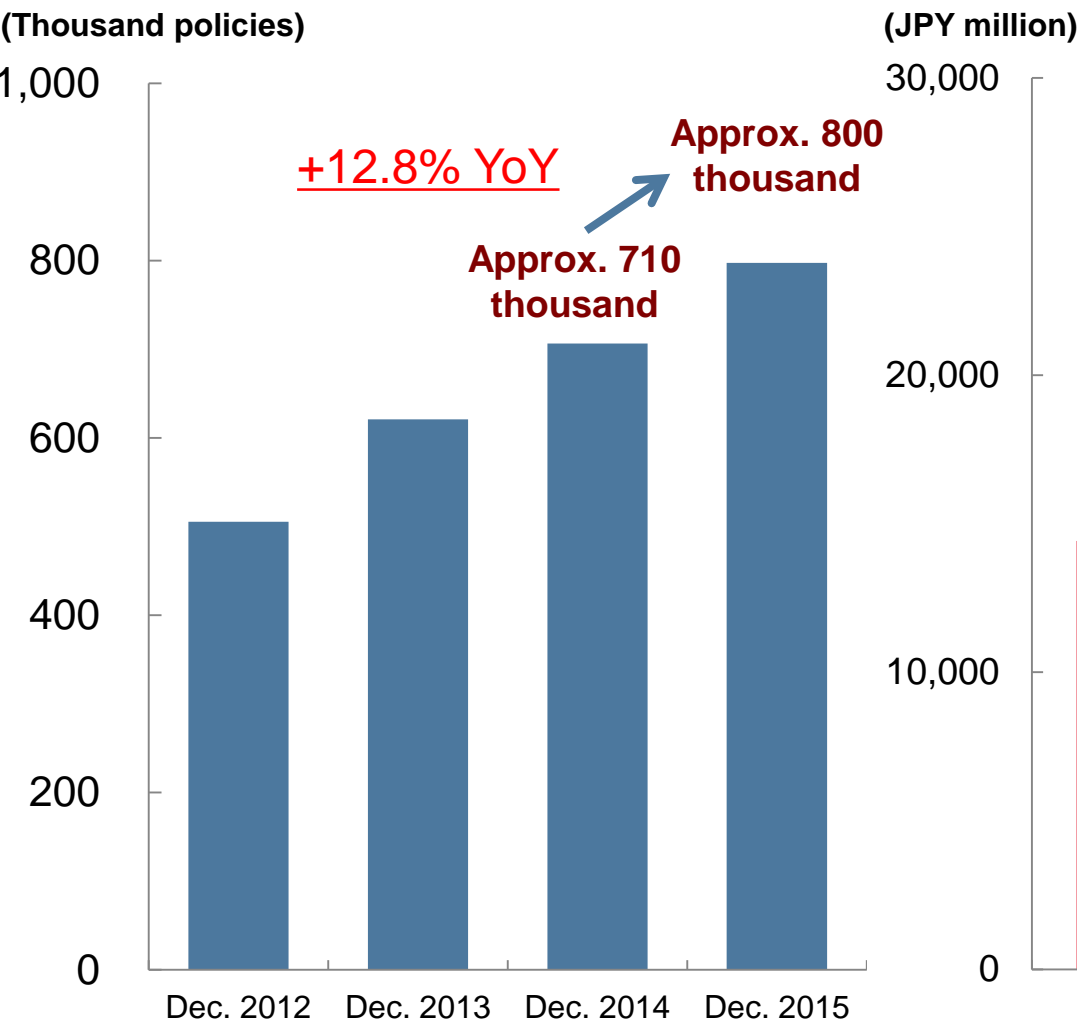
- Promoting a full-scale acquisition of new customers, both within and outside of the Group
 - Started the service of accepting applications for credit cards in conjunction with the opening of an account at SBI Sumishin Net Bank
 - Promotion of marketing measures such as campaigns directed at current SBI Sumishin Net Bank customers
- Improving the earnings structure through revised offerings, and fundamental overhaul of the business flow

⑤ Insurance Business

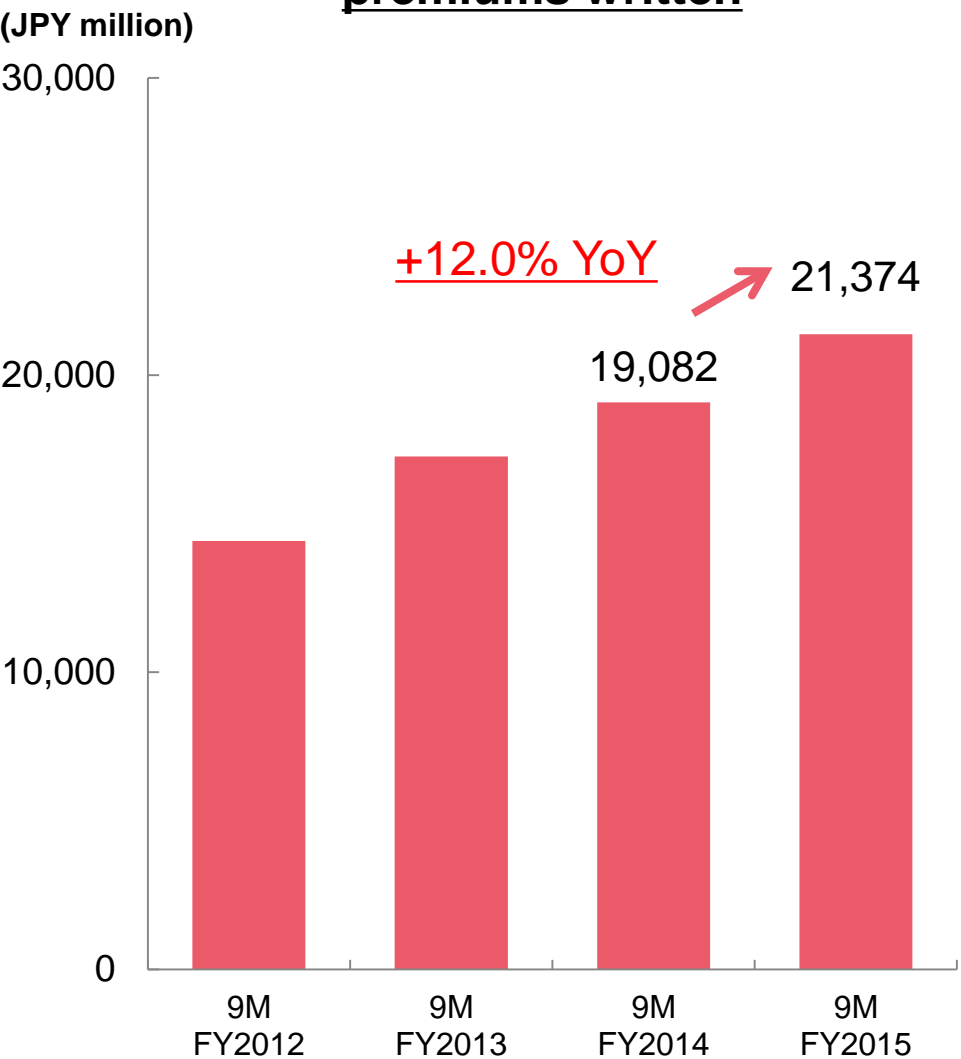
- **SBI Insurance's auto insurance business continues to rapidly expand with the number of contracts up 12.8%, and direct premium written up 12.0% year-on-year**
- **SBI Insurance's combined ratio (based on direct figures) steadily decreased to 94.7%**
- **SBI Insurance recorded profit before tax expense of approx. JPY 0.3 billion in 3Q FY2015**
- **SBI Life Insurance completed the construction of the sales structure and will resume the procurement of new contracts from Feb.**
- **Number of contracts at SBI SSI and SBI IKI IKI SSI steadily increases**

Change in SBI Insurance’s Number of Auto Insurance Contracts and Direct Premiums Written

Number of contracts*



Change in direct premiums written



* Includes new contracts that were paid by the end of the month, but becomes effective the following month or later

Combined Ratio (Based on Direct Figures) Continues to Decrease

| (Unit: %) | 9M FY2014 | 9M FY2015 | YoY Change |
|--|-----------|-------------|-------------|
| Loss ratio ^{*1} | 75.2 | <u>74.0</u> | <u>-1.2</u> |
| Operating expenses ratio ^{*2} | 22.8 | <u>20.7</u> | <u>-2.1</u> |
| Combined ratio | 98.0 | <u>94.7</u> | <u>-3.3</u> |

*1 Loss ratio (%) = (Direct net insurance payment + Loss adjustment expenses) / Direct premium written X 100

*2 Operating expenses ratio (%) = (Operating and general administrative expenses + Agency commission and brokerage) / Direct premium written X 100

*3 Percentages in the table above are based on direct figures

Recorded a Steady Profit in 3Q FY2015 Toward Full-year Profitability

**SBI Insurance’s profit income before tax
expense (based on IFRS)**

(Unit: billion)

| | FY2014 | FY2015 |
|----------------------|--------|--------|
| 1Q (Apr. – June) | 0.1 | 0.0 |
| 2Q (July – Sept.) | -0.4 | -0.8 |
| 3Q (Oct. – Dec.) | 0.1 | 0.3 |

Several significant insurance payments were made, owing to the impact of Tropical Storm Etau, Typhoon Goni and the prolongation of Silver Week

Implementing measures such as a review of the reinsurance ratio and further cost reductions, in order to achieve a full-year profitability

SBI Life Insurance Sustained Strong Business Performance, Completed All Preparations for Underwriting New Insurance, and Commenced Sales of New Products on Feb. 1 as Planned

Results (9M FY2015)

Preliminary ordinary profit (based on J-GAAP): Approx. JPY 1.4bn

- SBI Life Insurance's 9M FY2015 earnings announcement is scheduled on Feb. 12, 2016
- For the current fiscal year, recorded system maintenance costs for the new insurance underwriting in 9M FY2015
- Along with the underwriting of new insurance, system development costs and marketing costs will be incurred in 4Q FY2015

The sale of new insurance products will begin in Feb.

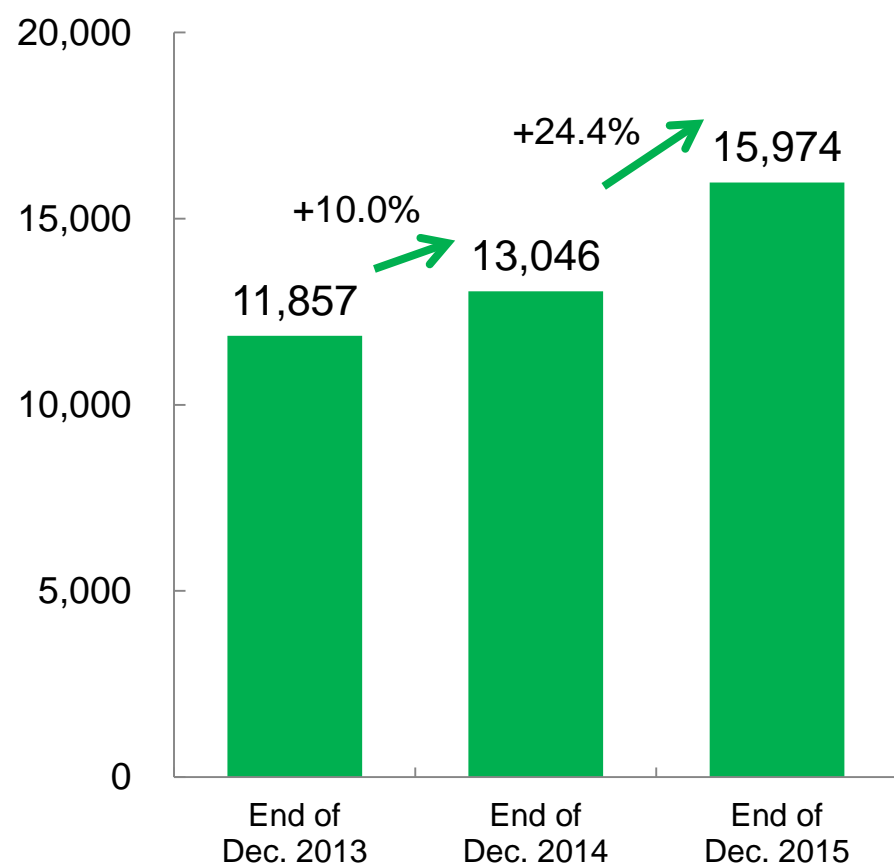
- All preparations, including the development of products and systems, and the construction of a sales structure, has been completed
- Received an approval for the resumption of underwriting new insurance contracts from the relevant authorities
- Sales of whole life medical insurance and term life insurance will start from Feb. 1

Change in Numbers of Contracts of Two Small-amount, Short-term Insurance Companies



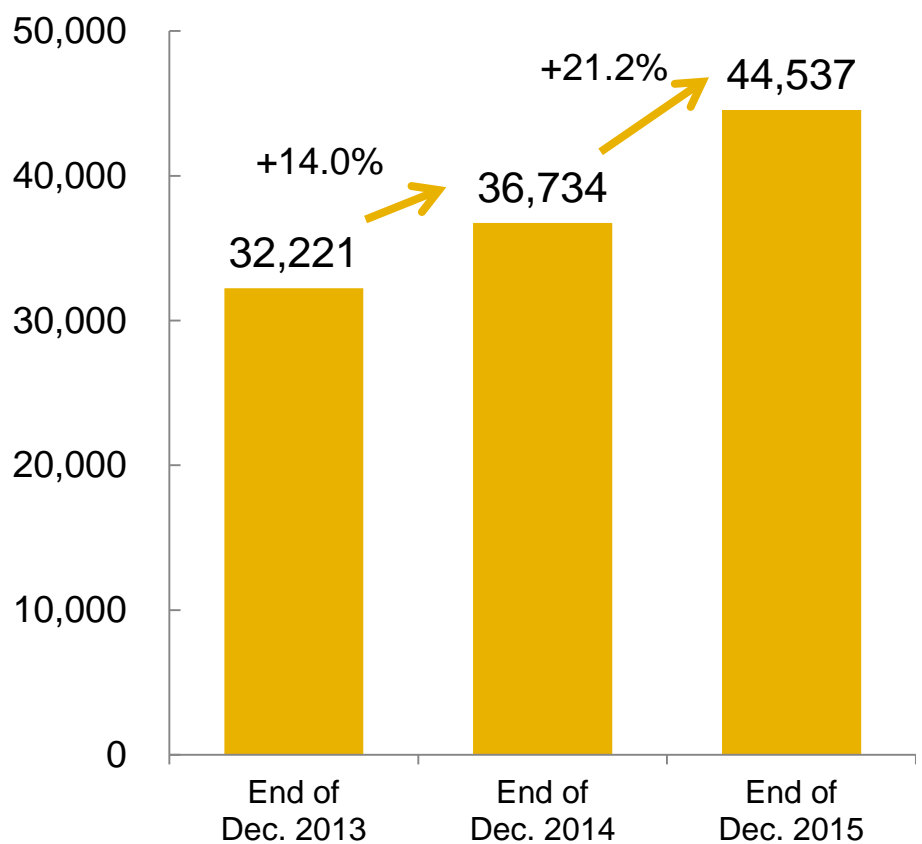
[SBI SSI] (Acquired in Mar. 2012)
[Earthquake indemnity insurance]

Number of contracts



[SBI IKIKI SSI] (Acquired in Mar. 2013)
[Death insurance, Medical insurance]

Number of contracts

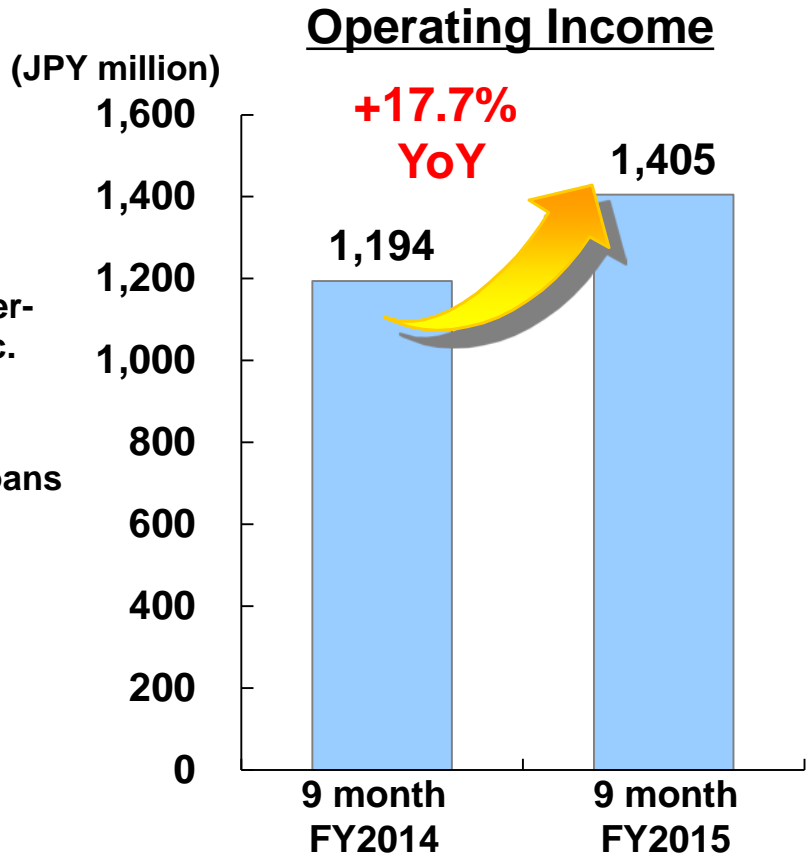
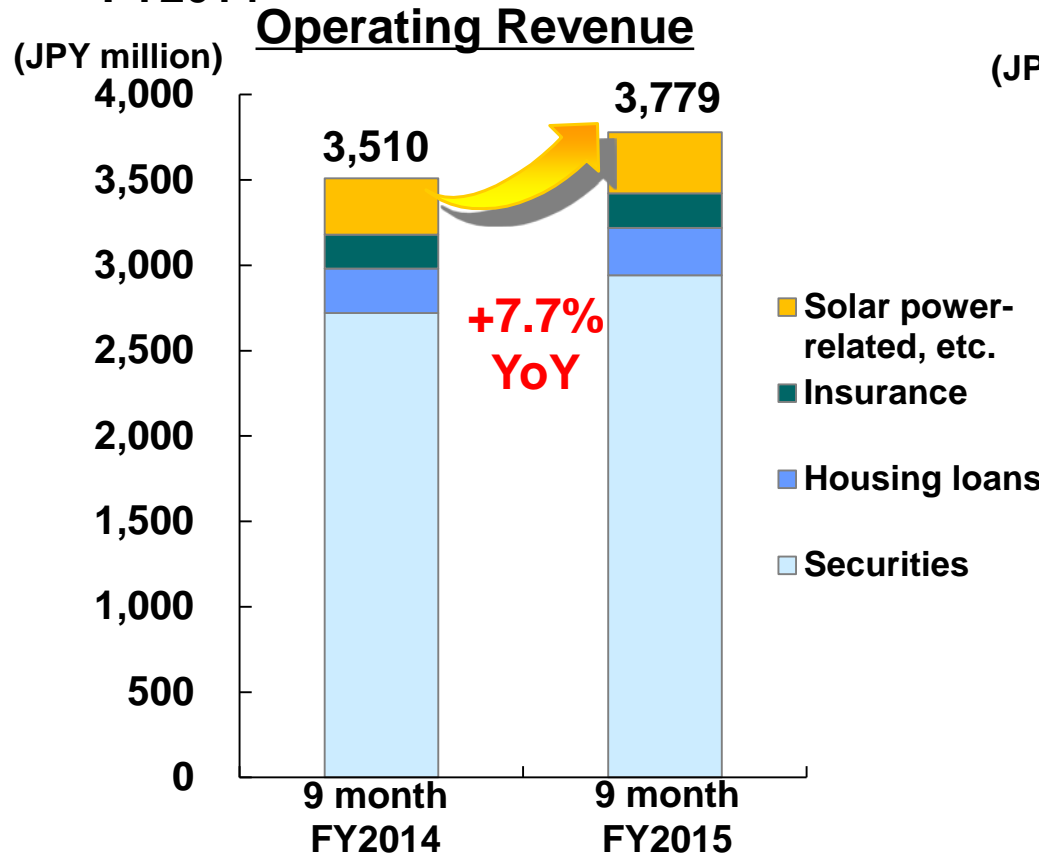


⑥ SBI MONEY PLAZA

- The total number of accounts reached 69,208, as of Dec. 31, 2015, and continues to increase steadily, with customer deposit assets totaling JPY 616.8bn, for a 24.0% increase compared to Dec. 31, 2014
- Recorded operating income (J-GAAP) of JPY 1,405m for the 9 Month FY2015, which was a 17.7% increase from the JPY 1,194m for the 9 Month FY2014
- Advancing the diversification of revenue sources, and pursuing growth with an emphasis on balance between each business toward overall profitability
- Advancing the consolidation of shops toward a more efficient operation, where the current number of shops totaled 356 (as of Sept. 30, 2015: 365 shops)
- Preparations for an early stage IPO is progressing steadily

SBI Money Plaza’s Business Scale Expansion Progressed Steadily, Allowing it to Achieve an Increase in Revenue and Profits

- Owing to the strengthening of the revenue base through a successful diversification of revenue sources (customer deposit assets exceeded JPY 616.8bn), along with the flagship securities department, each department achieved a revenue increase
- Through the promotion of an efficient operation, along with the consolidation of shops, operating income increased by 17.7%, as compared to the 9 months of FY2014



(2) Asset Management Business

- Owing to the recovery in the stock market, stock prices of several listed securities held recovered, leading to a significant improvement in the fair value valuations in 3Q FY2015 (Oct.-Dec.) results**
- Although gain on sale of receivables and gain on reversal of allowance for credit losses decreased, SBI Savings Bank of South Korea's profitability in its loan business, which is its primary business, improved and was strengthened through a decline in the delinquency ratio and an increase in performing loans**
- Morningstar Japan's 9M FY2015 results achieved a significant increase in both revenue and profit, and exceeded its historical highs in terms of operating income, ordinary income and net income**

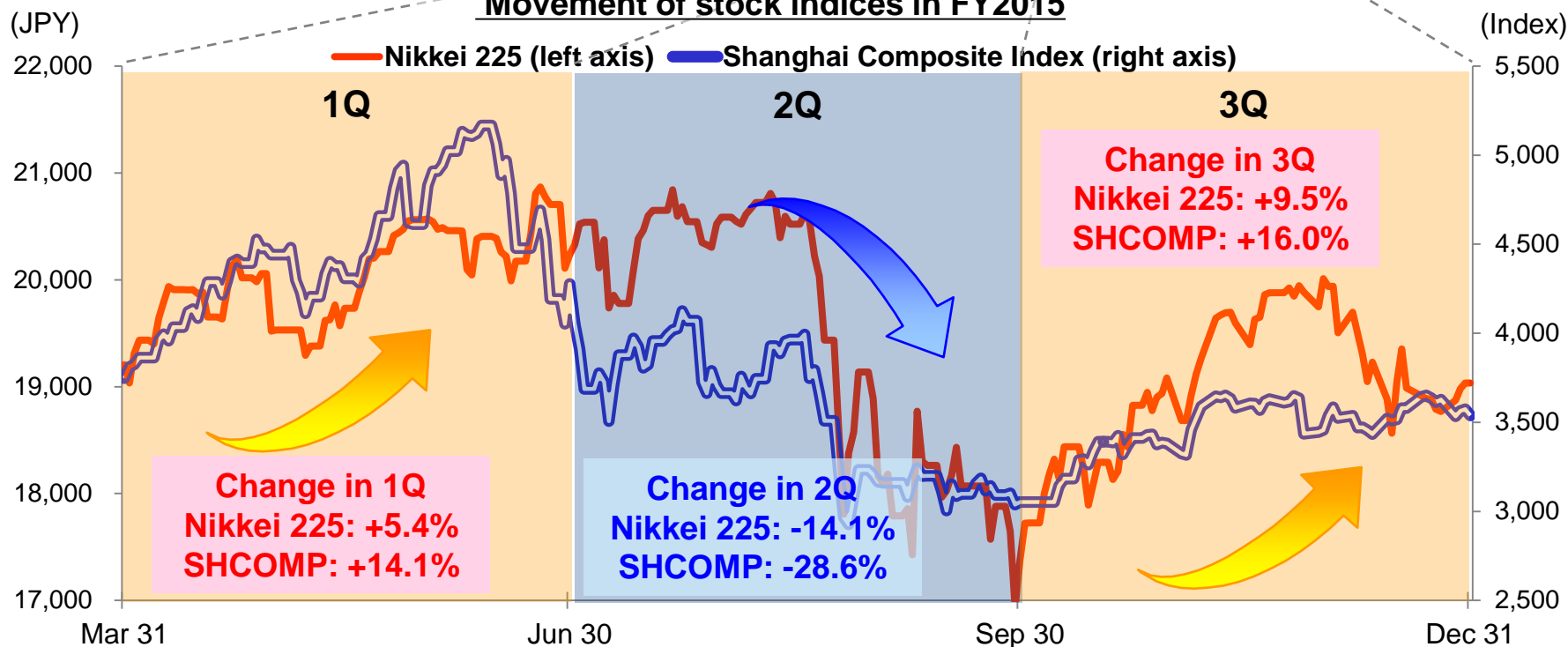
Owing to the Recovery in the Stock Market, Stock Prices of Several Listed Securities Held Recovered, Leading to a Significant Improvement in the Fair Value Valuations

Quarterly profit/loss related to fair value in FY2015 (IFRS, JPY billion)

| | 1Q (Apr.-June 2015) | 2Q (July-Sept. 2015) | 3Q (Oct-Dec. 2015) |
|---|------------------------|-------------------------|-----------------------|
| Profit/loss from the change in fair value and profit/loss on sales of investment securities | 3.3 | -4.8 | 1.6 |
| Unlisted Securities | 0.1 | 3.3 | -2.2 |
| Listed Securities | 3.2 | -8.1 | 3.8 |

<Reference>
Unrealized gains of
JPY 5.7bn
versus
acquisition cost

Movement of stock indices in FY2015



SBI Savings Bank of South Korea's Quarterly Profit

Although gain on sale of receivables and gain on reversal of allowance for credit losses decreased, progress with bad debt collection has led to steadily increasing net interest income (interest income minus interest expense), a measure of profit from the loan business, and the bank is steadily developing a structure capable of generating profits from core operations.

Quarterly Results of FY2015
(SBIH's consolidated accounts basis; IFRS) (JPY million)

| | 1Q FY2015 (Apr. 2015-June 2015) | 2Q FY2015 (July 2015-Sept. 2015) | 3Q FY2015 (Oct. 2015-Dec. 2015) |
|-----------------------|------------------------------------|-------------------------------------|------------------------------------|
| Revenue | 11,451 | 8,274 | 12,211 |
| Profit for the period | 2,020 | 1,346 | 1,658 |

Recorded a provision etc. of approx. JPY 1.0bn, owing to causes such as losing a court trial case

On a K-GAAP Basis, which Applies to Unlisted Companies in South Korea, the Accounting was on an Irregular 6 Month Basis, but the Annualized Profits Increased Significantly as Compared to the Previous Fiscal Year

**Fiscal Year Ended
Dec. 31, 2015 Results
(K-GAAP basis)**

Irregular accounting of 6 months, owing to the change in terms to a fiscal year ending Dec., due to the law amendment

(KRW billion)

| | Fiscal Year Ended June 30, 2015*1 (July 2014-June 2015) | Fiscal Year Ended Dec. 31, 2015*2 (July-Dec. 2015) | Compared to the previous fiscal year(%) |
|-----------------------|---|--|--|
| Operating revenue | 464.7 | 228.8 | 49.2 |
| Operating income | 41.8 | 33.4 | 79.9 |
| Profit for the period | 20.3 | 17.2 | 84.7 |

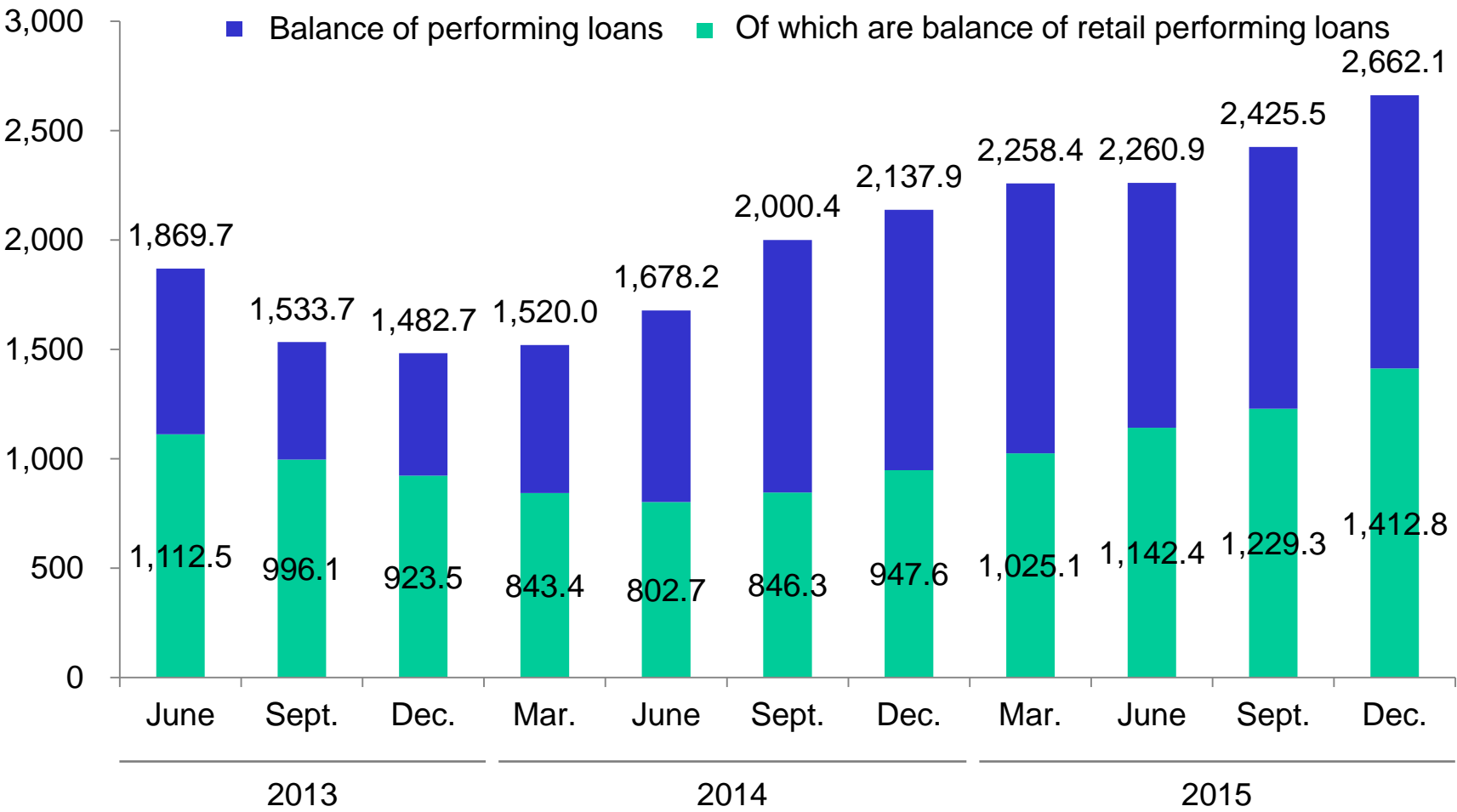
*1 Result for four-month period from July to Oct. 2015 is the sum of the pre-merger non-consolidated results of the former SBI 1 Savings Bank and three affiliated banks, which is adjusted by eliminating the equity method profit/loss among the banks. In the results announced separately from SBI Savings Bank, the above mentioned result for four-month period from July to Oct. 2015 is the non-consolidated results of the former SBI 1 Savings Bank

*2 The results for fiscal year ended Dec. 31 2015 is preliminary results, which are not subject to an audit by the auditor

Primarily in the Retail Sector, Balance of Performing Loans Increased Steadily

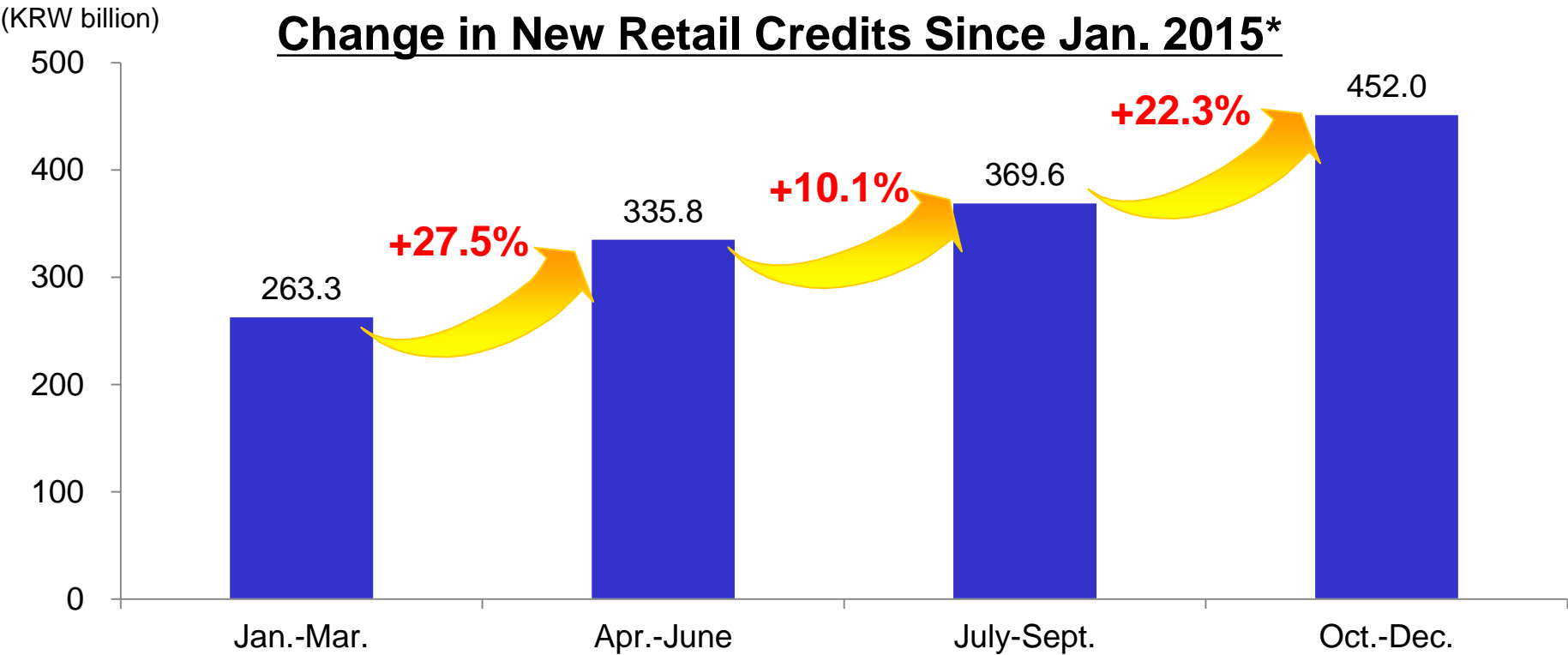
Balance of Performing Loans*

(KRW billion)



* Based on K-GAAP

Through the Launch of New Products, Endeavoring to Further Increase the New Retail Credit Acquisition Amount



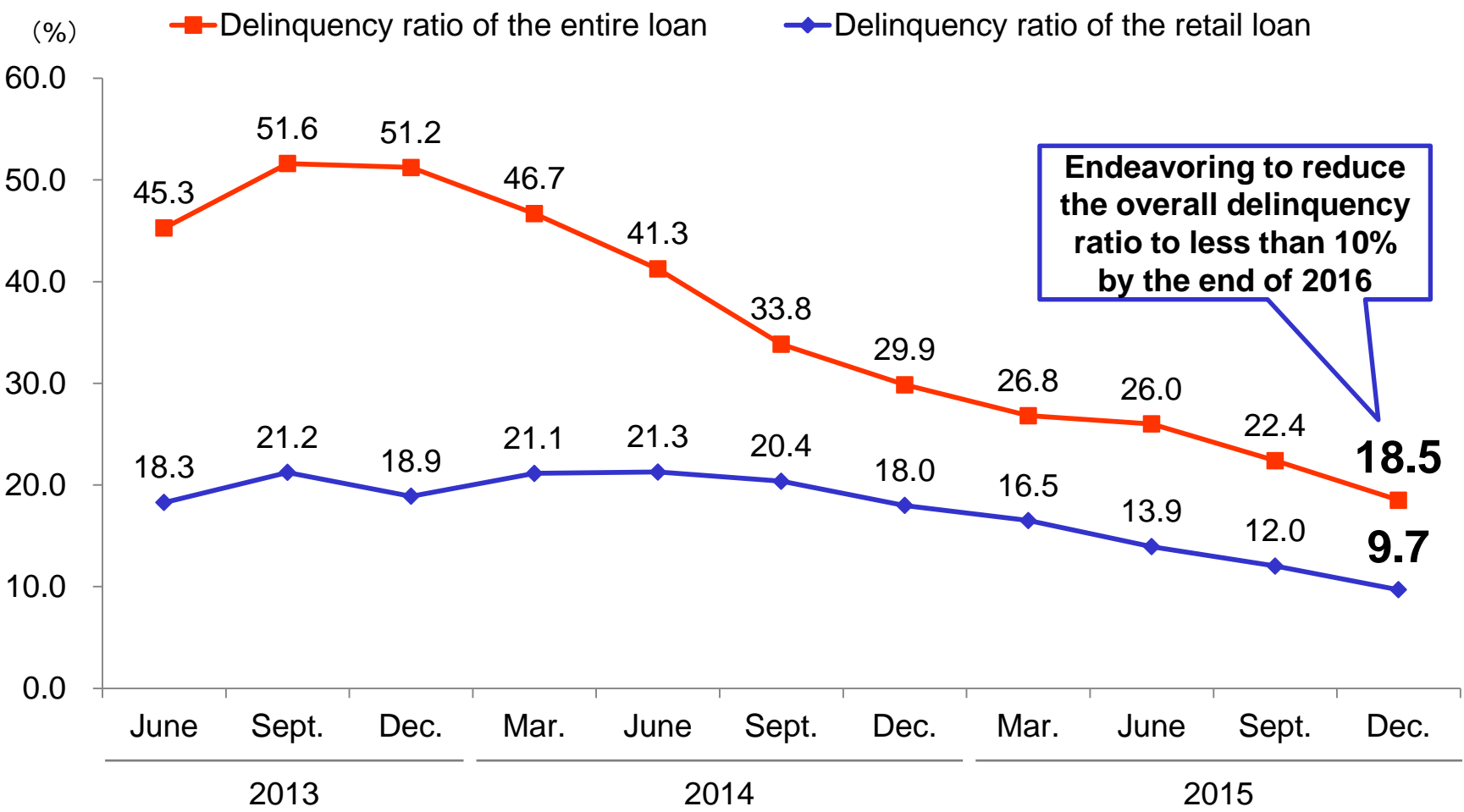
*Based on K-GAAP

Released retail mobile credit loan product "Cyder" in Dec. 2015

- Target customer is low to middle risk customer with credit ratings between 1st-6th grade
 - Interest rate of 6.9% -13.5% is a mid-interest rate range, with a maximum loan limit of KRW 30 million
- ⇒ Loan amount has been steadily increasing since its launch on Dec. 21

Loan Quality Improved Significantly, with the Retail Loan Delinquency Ratio Declining to 9.7%, and the Overall Delinquency Ratio Decreased to 18.5%

Change in Delinquency Ratio*



* Based on K-GAAP

Morningstar Japan’s 9 Month FY2015 Consolidated Results

Achieved a Significant Increase in Revenue and Profit

Operating Income, Ordinary Income and Net Income Achieved Historical Highs

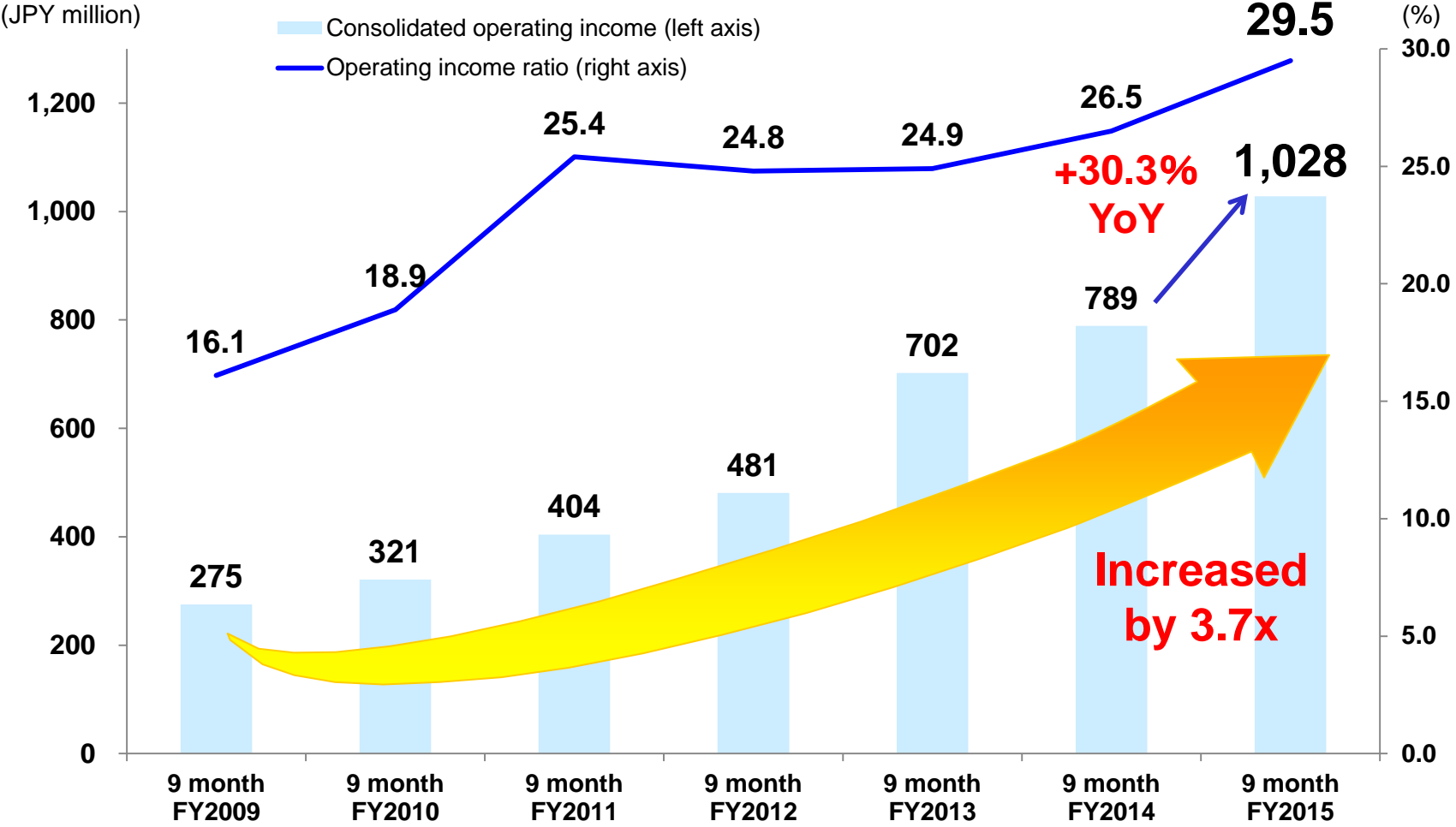
Consolidated Results (J-GAAP)

(Unit: JPY million)

| | 9 Month FY2014 (Apr.-Dec. 2014) | | 9 Month FY2015 (Apr.-Dec. 2015) | | YoY % change |
|------------------|------------------------------------|----------------------|-------------------------------------|----------------------|-----------------|
| | Amount | Income margin (%) | Amount | Income margin (%) | |
| Net Sales | 2,974 | - | 3,483 | - | +17.1 |
| Operating Income | 789 | 26.5 | 1,028 <div>Historical high</div> | 29.5 | +30.3 |
| Ordinary Income | 802 | 27.0 | 1,030 <div>Historical high</div> | 29.6 | +28.4 |
| Net Income | 494 | 16.6 | 678 <div>Historical high</div> | 19.5 | +37.2 |

9 Month Consolidated Operating Income and Operating Income Ratio Trends

- Operating income increased for the sixth consecutive year, and increased by 3.7x that of 9M FY2009
- Compared to the 9M FY2014, operating income increased by 30.3%, with operating income ratio having reached 29.5%



(3) Biotechnology-related Business

- Although the Biotechnology-related Business achieved a revenue increase, up-front R&D costs at SBI Biotech (consolidated) and SBI Pharmaceuticals contributed to a slight year-on-year increase in 3Q cumulative loss before income tax expense
- SBI ALApromo reduced its deficit by curtailing its promotion costs

Profit Before Income Tax Expense of the Biotechnology-related Business (IFRS)

(JPY million)

| | | 9 Month FY2014 (Apr. –Dec. 2014) | | 9 Month FY2015 (Apr. –Dec. 2015) |
|--|----------------------------|--|-----|--|
| Total of the Biotechnology-related Business | | -2,360 | | -2,453 |
| | SBI Biotech (cons.) | -1,374 | ① → | -921 |
| | SBI Pharmaceuticals | -809 | | -940 |
| | SBI ALApromo | -356 | ② → | -239 |

- ① Within the drug discovery pipeline of Quark Pharmaceuticals, Inc., a wholly-owned subsidiary of SBI Biotech, SBI Biotech has received an upfront fee of USD 20m, resulting in an improvement from a loss in 1H FY2015, but still recorded a loss for the 9M FY2015 period
- ② SBI ALApromo cut promotion costs, thereby continuing to reduce the deficit from the same period of the previous year

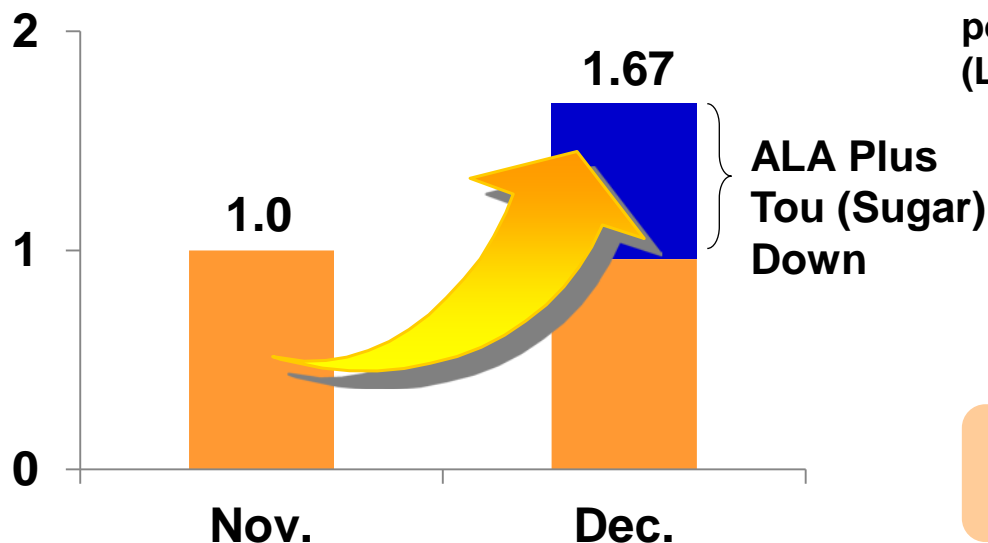
Progress of SBI Biotech's Principal Pipeline Drugs

| | Licensing partner | Adaptation disease | Progress | |
|--------------------|---|--|----------------------|---|
| QPI-1002 | Novartis International AG | Kidney Transplantation (DGF) | Phase III | Initiated clinical trials at 70 institutions, mainly in the U.S., as well as in Canada, Germany, Brazil and other countries. <u>Beginning patient recruitment at the U.S. institutions</u> , and other country institutions are expected to follow |
| | | Acute kidney injury (AKI) | Phase II | Initiated clinical trials at 50 institutions, mainly in the US and Germany. <u>Beginning patient recruitment at the U.S. institutions</u> , and other country institutions are expected to follow |
| QPI-1007 | Biocon Ltd (India's Major Pharmaceutical Company) | Non-arteritic anterior ischemic optic neuropathy (NAION) | Phase II / III | Completion of preparations for a clinical trial in the U.S., and <u>beginning patient recruitment</u> . <u>Also in China, regulatory approval was received</u> and preparations have begun in earnest. Planning the initiation of clinical trials in India, pending regulatory approval |
| | | Acute angle closure glaucoma | Phase II | Completion in June 2015 of a small-scale clinical trial (46 patients) conducted in Vietnam and Singapore. Completion of final results report expected around Feb. 2016 |
| PF-655 | Pfizer Inc. | Glaucoma | Phase II a | Start of Phase II a protocol finalization |
| | | Diabetic macular edema (DME) | Completed Phase II a | Upon the initiation of clinical trials for glaucoma, the launch of a revised development plan will be expected |
| Anti-ILT7 antibody | MedImmune, LLC. (Subsidiary of AstraZeneca) | Autoimmune diseases | Pre-clinical | Development proceeding with no particular problems |

First Launch of “ALA Plus Tou (Sugar) Down,” a Food Labeled with Health Benefits, Containing 5-ALA (from Dec. 18, 2015)

Changes of SBI ALApromo's monthly orders

* Monthly orders in Nov. = 1



Supports the normalization of high levels of fasting blood glucose levels, and the moderation of the elevation of postprandial glucose levels
(Launch of 10 and 30 day supplies)



New TV commercials featuring Hiromi Go will start from Feb. 23!!

- Of the 5,500 consulting pharmacies and drugstores that offer SBI ALApromo products, there already are 1,510 stores that offer “ALA Plus Tou (Sugar) Down” (As of the end of Dec.)
- The number of stores that offer “ALA Plus Tou (Sugar) Down” is expected to number over 4,800 stores by the end of Mar.

Enhancing SBI ALApromo's Product Offerings

- Launch of a sports supplement, “ALA Plus Sports High Performance,” for stamina athletes on the move for extended periods sports enthusiasts (Dec., 2015)

Available for sale on ALA Online, which is SBI ALAPromo's official online shop, and at sports shops



Package design

- Launch of the renewed cosmetics containing 5-ALA, “ALA PLUS skincare series” with high moisture-retaining effects (Jan. 18, 2016)

- Adopt uniformly designed packaging
- Trial set scheduled for early Feb. launch to endeavor acquisition of new users



Moisturizing
cream



Skin
lotion



ALApi
Full-body moisturizing cream

[FY2015 Shareholder Return Policy]

Shareholder Return of FY2015

- Interim dividend of JPY 10 per share was paid
- Reflecting the full-year financial performance forecast, endeavoring to achieve a total shareholder return ratio of 40% for the fiscal year-end

[Dividend forecast (results) per share]

| | End of 2Q | Year-end | Full-year |
|-------------------|---------------|--|--|
| FY2015 (forecast) | <u>JPY 10</u> | TBD | TBD |
| FY2014 (results) | — | JPY 35 (Ordinary dividend: 30) (Commemorative dividend: 5) | JPY 35 (Ordinary dividend: 30) (Commemorative dividend: 5) |

Further Strengthen Shareholder Benefits

[Details of shareholder benefits]

*Shareholders listed or recorded in the shareholder register as of Mar. 31, 2016 are eligible.

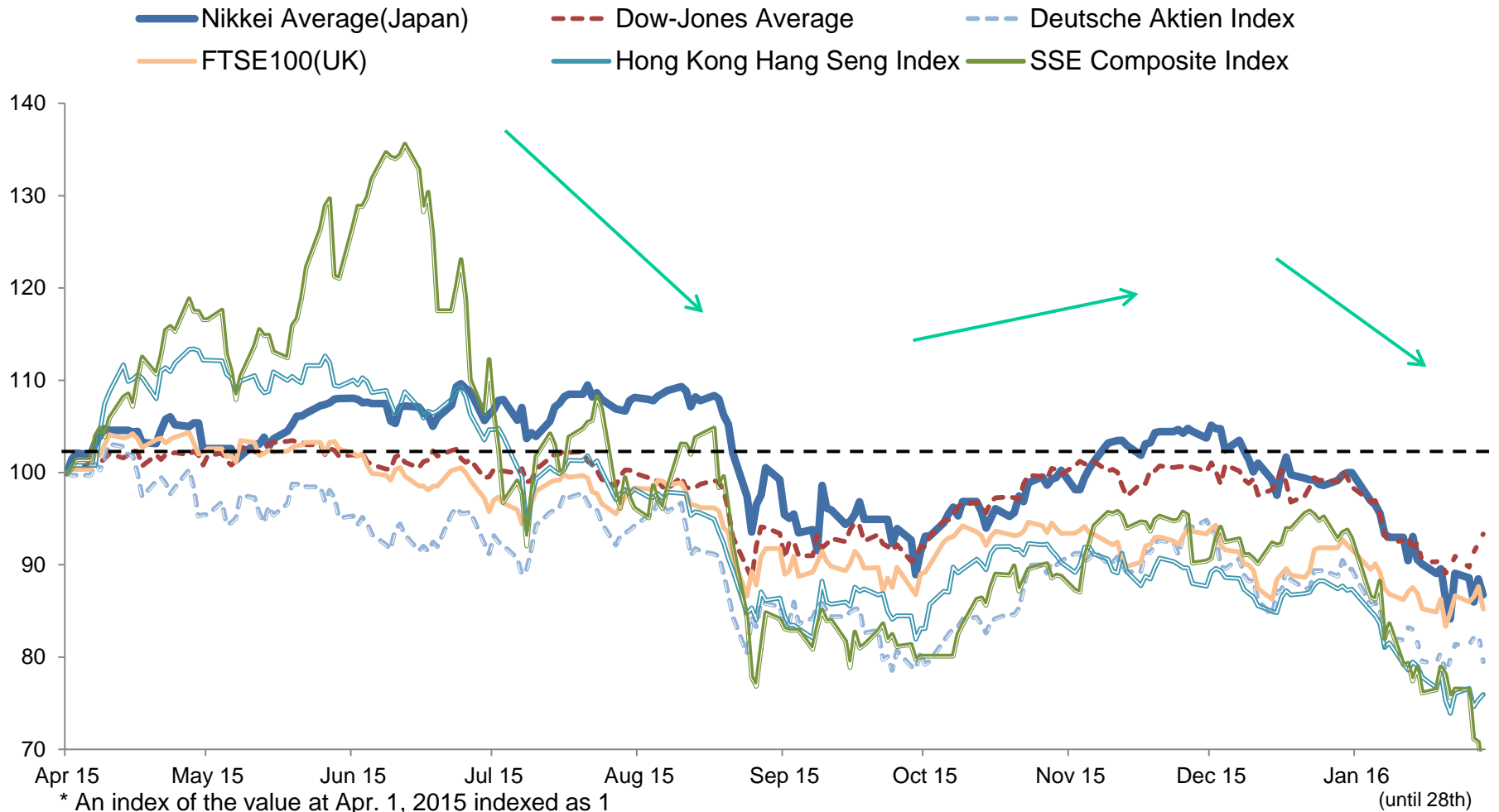
| <div>Details</div> <div>Qualified shareholders</div> |  <div>ALAPlus (priced at JPY 2,980 (incl. tax))</div> |  <div>ALAPlus GOLD (priced at JPY 9,800 (incl. tax))</div> |  <div>ALAPlus Essential Lotion (priced at JPY 8,400 (incl. tax))</div> |
|---|--|---|---|
| Shareholders who have <u>held shares for more than 1 year</u> and who hold <u>1,000 (10 units) or more shares</u> as of Mar. 31, 2016 | <u>2 packs</u> | <u>2 packs</u> | <u>1 pack</u> |
| For shareholders other than the above, those who hold <u>100 shares (1 unit) or more</u> , as of Mar. 31, 2016 | <u>2 packs</u> | — | — |

* In addition, **all shareholders, including those who hold less than 1 unit (1–99 shares), will receive 1 discount coupon for a preferential discount of 50% from the regular prices of all SBI ALApromo dietary supplements and cosmetics.**

2. The Present Time is Being Seized Upon as Rapid Growth Stage to Promote Various Initiatives in All Business Area

The Downturn of the Major Country Stock Markets, Owing to the Rising U.S. Interest Rate Policy, the China Shock, Falling Crude Oil Prices, etc.

The transition of major countries' stock market index*



Entering 2016, the IMF Generally Reduced Global Economic Growth Forecasts

Released IMF Economic Growth Forecasts

Unit: %

| | Forecast for 2016 | | |
|--|------------------------|------------------------|--------|
| | Published in Oct. 2015 | Published in Jan. 2016 | Change |
| World | 3.6 | 3.4 | -0.2 |
| Advanced Economies | 2.2 | 2.1 | -0.1 |
| United States | 2.8 | 2.6 | -0.2 |
| Euro Area | 1.6 | 1.7 | +0.1 |
| Japan | 1.0 | 1.0 | 0 |
| Emerging Market and Developing Economies | 4.5 | 4.3 | -0.2 |
| China | 6.3 | 6.3 | 0 |

| Forecast for 2017 | | |
|------------------------|------------------------|--------|
| Published in Oct. 2015 | Published in Jan. 2016 | Change |
| 3.8 | 3.6 | -0.2 |
| 2.2 | 2.1 | -0.1 |
| 2.8 | 2.6 | -0.2 |
| 1.7 | 1.7 | 0 |
| 0.4 | 0.3 | -0.1 |
| 4.9 | 4.7 | -0.2 |
| 6.0 | 6.0 | 0 |

Source: IMF "World Economic Outlook Database October 2015" and "World Economic Outlook Update January 2016"

Even under such market conditions, why does the Company regard the present time as a rapid growth stage?

[Factors]

- (1) The construction of the domestic Internet financial ecosystem and the asset management structure, which complements the ecosystem, is nearly complete**
- (2) With new technology developments in fields such as FinTech, mobile, IoT, AI, and big data accelerating, global interest is also rising, and the SBI Group is differentiating itself from other companies by quickly applying these new technologies to its businesses**
- (3) The Japanese government is promoting various initiatives toward stock market revitalization**
- (4) In the Biotechnology-related business, entering a full-scale growth stage through steady progress and strategic moves, toward the further expansion of the business and the development of the pipeline**

Factors supporting the SBI Group's rapid growth stage

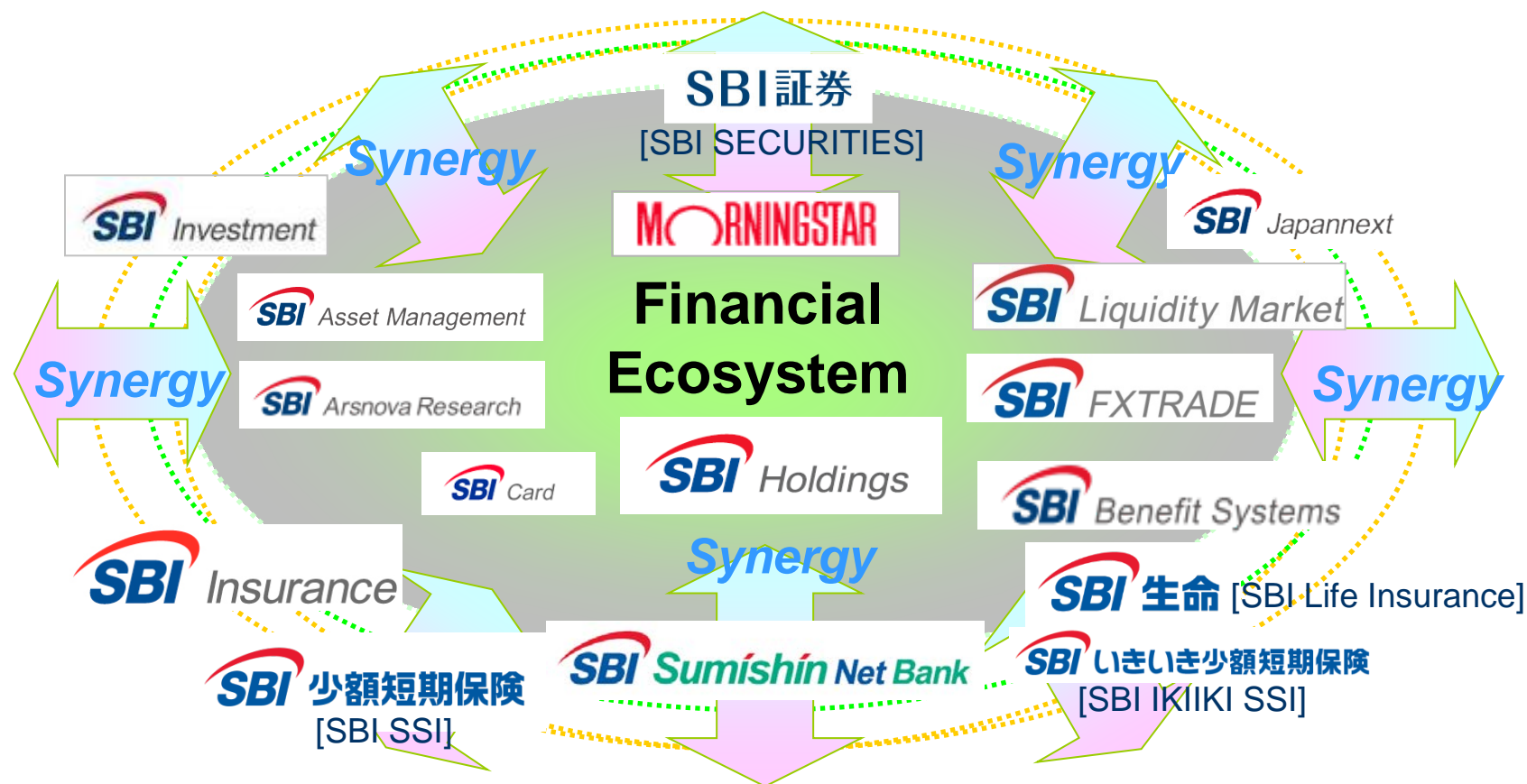
(1) The construction of domestic Internet financial ecosystem and asset management structure, which complement the ecosystem, is nearly completed

- ① SBI Life will start the sales of lifetime medical insurance and term insurance on Feb. 1. The sales of these insurance products will be promoted through an expanding sales channel, which included the former PCA Life Insurance's agencies, but also the Internet, call center and insurance shops
- ② Through the entry into the reinsurance business within this fiscal year, the profitability of SBI Insurance and SBI Life Insurance will be strengthened
- ③ For the companies within the Financial Services Business, profitability stabilization and the prospects for profitability improvement have become evident
- ④ Asset Management Services Business has almost completed development of business structure, which is owing to the increase in AUM of the SBI Group's institutional investors, and promote further diversification of Asset Management Products
- ⑤ Along with the continued promotion of the business "Selection and Concentration" process, applying the cash recovered through this process into growth area investments, going forward

SBI Group's Completion of the World's First Internet-based Financial Conglomerate in 16 Years Since Its Inception

Oct. 1999: SBI SECURITIES commenced online trading service Sept. 2007: SBI Sumishin Net Bank commenced business

Jan. 2008: SBI Insurance commenced business Feb. 2016: SBI Life Insurance launches the sales of its products



- ① **SBI Life will start the sales of lifetime medical insurance and term insurance on Feb. 1. The sales of these insurance products will be promoted through an expanding sales channel, which included the former PCA Life Insurance's agencies, but also the Internet, call center and insurance shops**

From Feb., SBI Life Insurance will Start to Sell Whole Life Medical Insurance with the Option of the Industry's First Home Healthcare Rider and Term Insurance with the Lowest Premiums in the Industry
Whole Life Medical Insurance "MO"



- It's possible to add riders for advanced medical care, outpatient care, and home healthcare coverage to supplement lifetime inpatient and surgery coverage.
- Provision of **the industry's first* home healthcare rider** to prepare for future hospital bed decreases

*The industry's first rider that covers home healthcare costs when physicians or other care providers provide treatment at patients' homes (SBI Life Insurance data as of Jan. 29, 2016)

Term insurance (only for application via internet) "Click! TEIKI" and term insurance "Imairu Hoken"



- Selectable policy term and death benefits amount according to the customer's lifestage
- Provided at **the lowest premiums in the industry**

Leveraging the customer base of the SBI Group, sales will be conducted through SBI Money Plaza, the Group-wide agencies and the Internet as the primary sales channels

(1)-① SBI Life Insurance:



Considering the Features of Life Insurance, New Insurance Products will be Sold Not Only through the Internet, but also through the Face-to-face Channels to Fully Leverage Group Synergies

[Internet channel]

[Face-to-face channel]

Comparison website

SBI Holdings
InsWeb

Number of customers:
7,544 thousands*2



Insurance shop

SBI MONEY
PLAZA

Mitsubachihoken Group
(SBI's shareholding percentage:25.0%*1)

WebCrew inc.
(operate "Hoken Minaoshi Honpo")

Agency within the SBI Group

SBI
SECURITIES



Number of accounts: 3,487 thousand*2
Number of contracts: approx. 815 thousands*2

住信SBIネット銀行



SBI 少額短期保険 [SBI SSI]

Number of accounts: 2,522 thousand*2
Number of contracts: approx. 16 thousands*2

SBI いきいき少額短期保険 [SBI IKI IKI SSI]

Number of contracts: approx. 45 thousands*2

Call center

NEWTON FINANCIAL
CONSULTING, Inc.

(SBI's shareholding
percentage:20.0%*1)

Financial Agency Inc.

(SBI's shareholding
percentage:34.9%*1)

Former PCA Life Insurance's
tie-up agency

Sequentially utilize Former
PCA Life Insurance's
tie-up agency

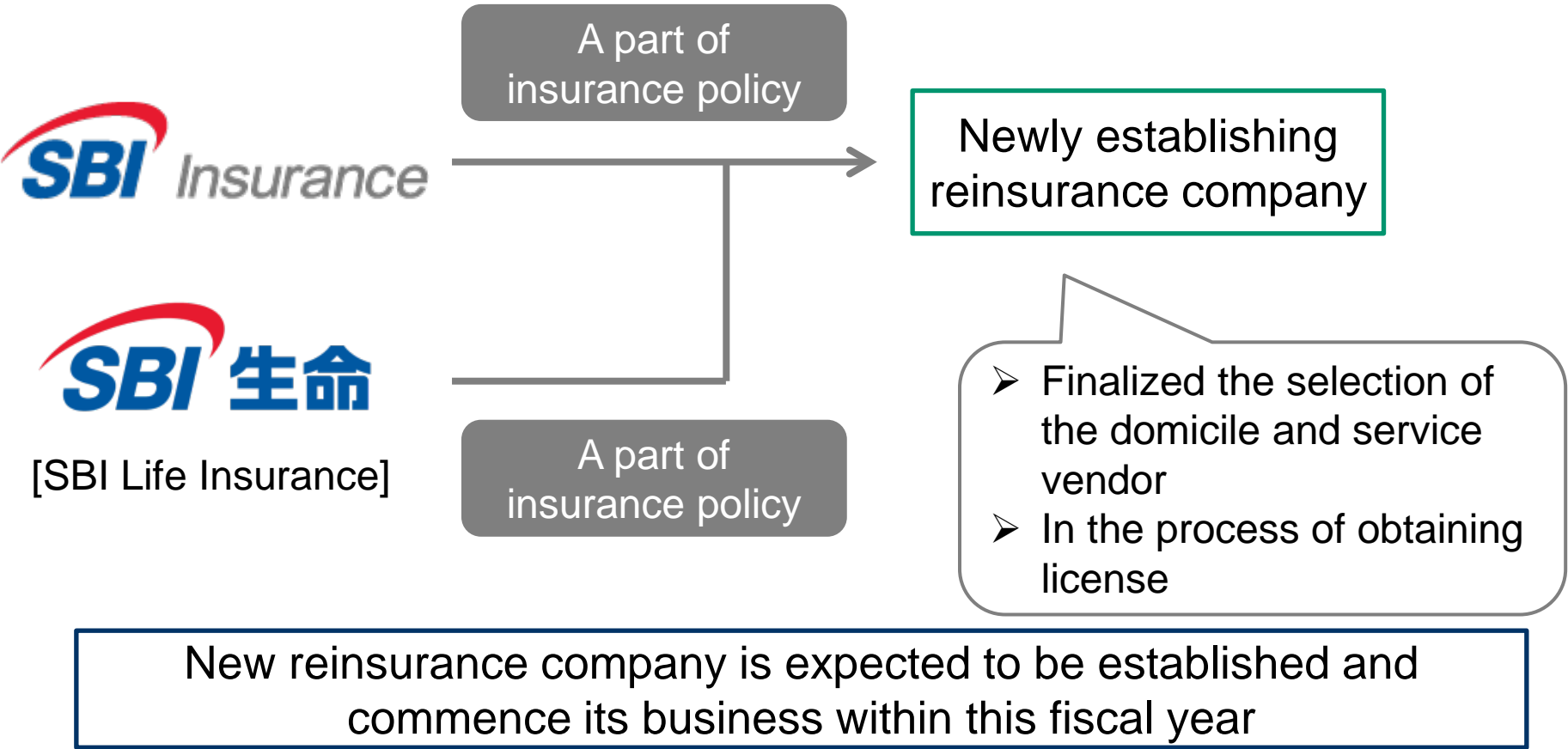
*1: SBI's shareholding percentage corresponds to a total percentage, which include dilutive shares, based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group (As of Dec. 31, 2015)

*2: Number is as of the end of Dec..





- ② **Through the entry into the reinsurance business within this fiscal year, the profitability of SBI Insurance and SBI Life Insurance will be strengthened**

Strengthening the Profitability of the Insurance Companies by Entering into the Reinsurance Business

Through a step-by-step aggregation process of portions of insurance policies that SBI Insurance and SBI Life Insurance currently cedes to an external reinsurance company, to the newly established reinsurance company some costs, such as the reinsurance premiums paid to non-Group companies, will be curtailed



With the Establishment of a Reinsurance Company, the Business Structure of the Insurance Business is Nearly Complete

| | |
|--|--|
| <div>Nonlife insurance business</div> <div></div> <div><ul style="list-style-type: none">➤ Commenced business in Jan. 2008➤ Number of contracts: Approx.815 thousand</div> | <div>Life insurance business</div> <div> [SBI Life Insurance]</div> <div><ul style="list-style-type: none">➤ Consolidated in Feb. 2015➤ Number of contracts: Approx.111 thousand</div> |
| <div>Small-amount, short term insurance business</div> <div> [SBI SSI]</div> <div><ul style="list-style-type: none">➤ Consolidated in Mar. 2012➤ Number of contracts: Approx. 16 thousand</div> <div> [SBI IKIIKI SSI]</div> <div><ul style="list-style-type: none">➤ Consolidated in Mar. 2013➤ Number of contracts: Approx. 45 thousand</div> | <div>Reinsurance business</div> <div><div>Newly establishing reinsurance company</div><ul style="list-style-type: none">➤ Plan to commence its business within this fiscal year</div> |

Considering further acquisitions of small-amount, short term insurance companies

③ For the companies within the Financial Services Business, profitability stabilization and the prospects for profitability improvement have become evident

Unprofitable Business Entities have Progressed Steadily toward Achieving Profitability

SBI損保 (Loss before income tax expense in FY2014: JPY 0.62bn)

Although this fiscal year experienced several substantial insurance payments and was adversely affected by natural disasters in 2Q FY2015, a profit before income tax expense of JPY 0.3bn was recorded in 3Q FY2015 (IFRS basis), and a full-year profitability is expected through the implementation of certain measures, such as a review of the reinsurance ratio and further cost reductions

SBI Remit (Loss before income tax expense in FY2014: JPY 0.14bn)

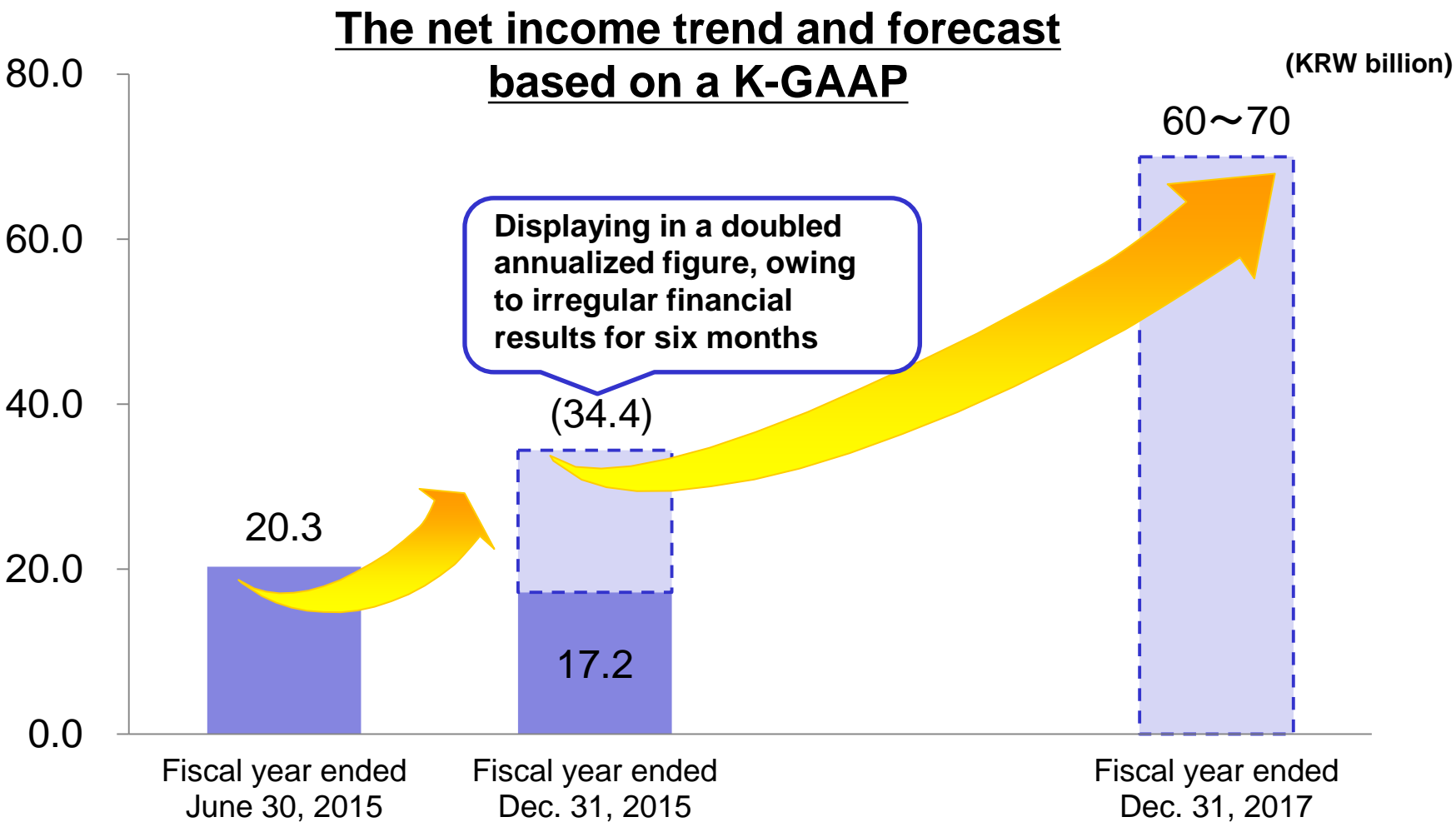
Achieved its first quarterly profitability in 1Q FY2015, and posted profit before income tax expense of JPY 60 million in 9M FY2015. Expects to achieve full-year profitability in FY2015

SBI カード (Loss before income tax expense in FY2014: JPY 1.21bn)

[SBI Card]

Became a subsidiary of SBI Sumishin Net Bank, and will endeavor to achieve profitability in FY2016 through synergistic measures, such as the development of high affinity services and products with the bank

**By Eliminating the Bad Debt that It Carried before Becoming a
Subsidiary in the Next Fiscal Year, SBI Savings Bank is
Forecasting a Net Income Level of KRW 60-70bn in FY2017**



- ④ **Asset Management Services Business has almost completed development of business structure, which is owing to the increase in AUM of the SBI Group's institutional investors, and promote further diversification of Asset Management Products**

(1) -④ Asset Management Services Business:

Along with the Increase in the AUM of the SBI Group's Institutional Investors, the Asset Management Services Business has Developed its Business Structure to Meet the Various Asset Management Needs within and Outside of the Group

■ Started cooperation in May 2015



International Asset Management

- UK-based leading hedge fund manager established in 1989
- Planning establishment of various funds with different risk/return targets for the SBI Group institutional investors, such as life/non-life insurance and bank, as well as for the retail customers

■ Established in Nov. 2015



- Operating a power generation business utilizing alternative energy, including solar, small hydroelectric, biomass, and geothermal generation
- Providing a new and attractive investment product, by offering an investment fund that gains returns from the sales of electric power from power generating facilities

■ Established in Dec. 2015



- Joint venture with US-based PIMCO
- Plan to develop and provide simple and low-cost active bond fund etc.

■ Changed corporate name in Jan. 2016



- Changed corporate name from CEM Corporation
- Providing collateralized real estate loans primarily in the Tokyo area

Establishment of SBI Bond Investment Management through a Joint Investment with PIMCO, one of the World's Largest Bond Management Companies

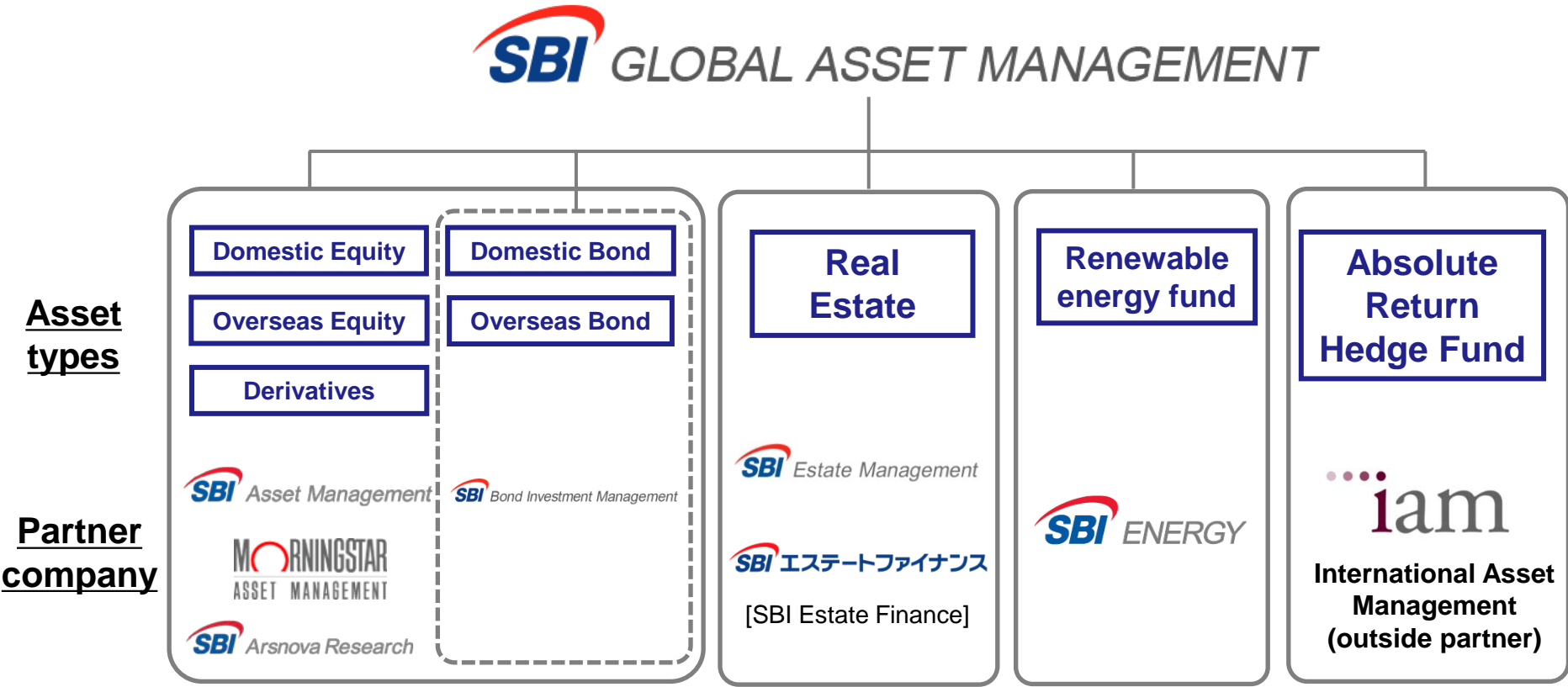
— Extremely rare case for PIMCO to establish a joint venture with an external party —



- The SBI Group's bond management needs have rapidly increased due to the acquisition of SBI Life Insurance, and investment in bonds, which promises stable returns, remains popular among individual investors.
- The new company plans to develop and provide simple, low-cost investment products centered on low-risk, active bond funds for SBI Group financial institutions (life/non-life insurance companies and banks) and individual investors.
- Planned start of operations in the spring of FY2016

Established in the U.S. in 1971, PIMCO is one of the world's largest global asset management companies with offices in twelve countries, including Japan. PIMCO's key strength is active bond management. The balance of assets under management was approx. USD 1.43tn (approx. JPY 170tn) as of Dec. 31, 2015.

Asset Management Services Business has Nearly Completed the Construction of its Business Structure, to Further Promote the Diversification of Investment Products



Individual Investors



Institutional Investors

- ⑤ **Along with the continued promotion of the business “Selection and Concentration” process, applying the cash recovered through this process into growth area investments, going forward**

Continuing Promotion of Business “Selection and Concentration” for this Fiscal Year and beyond

Sold in FY2015

- **Transferred SBI Card to SBI Sumishin Net Bank**
(announced in Apr. 2015; share transfer was executed in Oct. 2015)
 - ➔ Recovering JPY 4.0bn, and a positive improvement effect of several hundred millions of JPY is anticipated compared to the previous fiscal year

Considering or preparing sales

- **Sales of Phnom Penh Commercial Bank of Cambodia, Autoc one (support for automobile purchaser), and NARUMIYA INTERNATIONAL (manufacture, processing and sale of children’s wear and related products), and etc.**
 - ➔ Endeavoring to recover over JPY 15bn in total
- **Through the sales of real estate holdings, expecting to recover JPY 4.2bn, of which approx. JPY 1.2bn has already been recovered**

Pursuing the Sale of Phnom Penh Commercial Bank of Cambodia



***SBI Group’s shareholdings is at 47.6%, and shareholdings including dilutive shares is at 91.0%**

Local sale observation article published in South Korea on Jan. 20 (abridged)



Who will own Phnom Penh Commercial Bank? A two-sided battle between Daegu Bank and Jeonbuk Bank (Seoul: Yonhap Infomax) January 20

According to banking circles, on January 18, 2016, Daegu Bank and a consortium of Jeonbuk Bank and JB Woori Capital submitted final tenders related to the sale of Phnom Penh Commercial Bank. (Abbrev)

Phnom Penh Commercial Bank was established in Cambodia in 2008 by Hyundai Swiss Savings Bank, the predecessor of SBI Savings Bank, and SBI Holdings. It also has a credit card business. (Abbrev)

According to banking circles, a selling price in the range of approx. KRW 130bn to KRW 150bn is estimated. (Abbrev)

On the basis of an assumptive sale at a valuation of approx. KRW 130-150bn (equivalent to 3.0-3.8 times the investment amount), will recover about JPY 10-11bn, which will have a positive effect of approx. JPY 3-4bn for profit before income tax expense in FY2016 (includes selling expenses and such at the time of sale)

Factors supporting the SBI Group's rapid growth stage

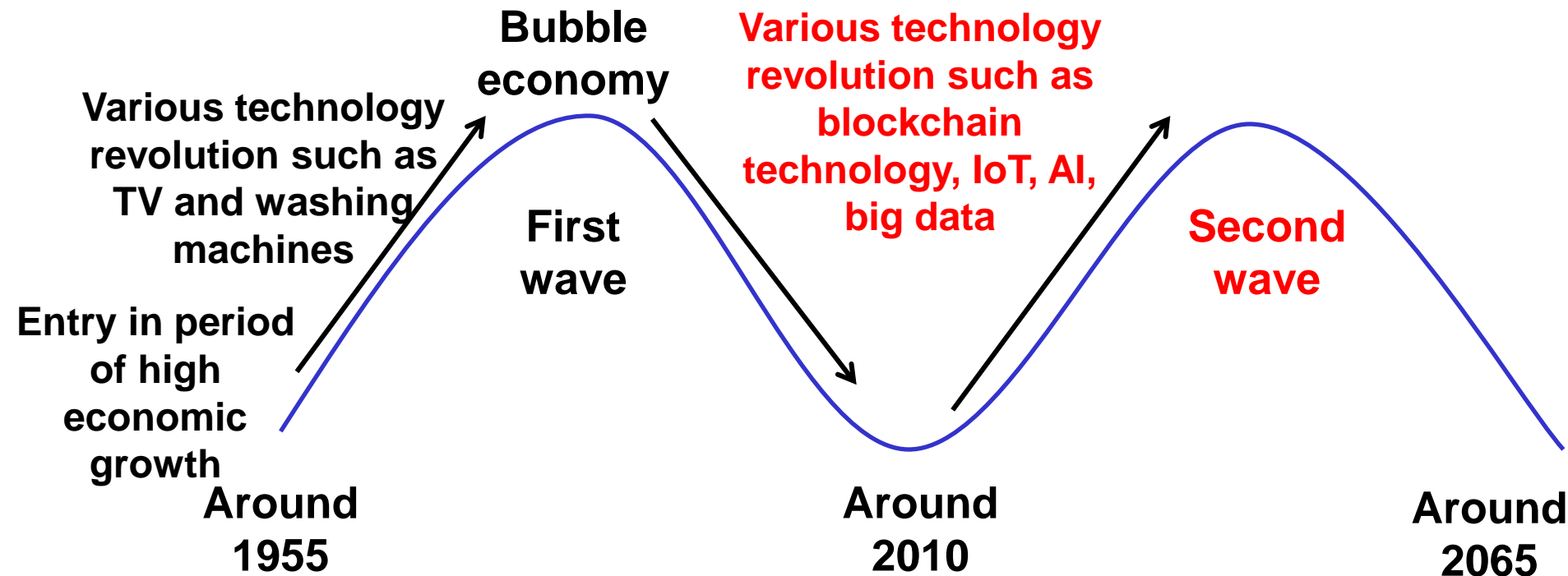
(2) With new technology developments in fields such as FinTech, mobile, IoT, AI, and big data accelerating, global interest is also rising, and the SBI Group is differentiating itself from other companies by quickly applying these new technologies to its businesses

- ① For investments, endeavoring to invest in and align with promising companies involved in FinTech, mobile, IoT, and big data**
- ② In the Financial Services Business, strengthening initiatives for the development of new services and the improvement of business efficiency, by adopting new technologies related to FinTech**
- ③ Promoting initiatives to expand financial services business overseas, by capturing movements of the financial authorities to actively promote Internet and mobile financial services**

Blockchain Technology, IoT, AI, Big Data, etc. are Core Technologies of FinTech, All of which can be Immediately Applied to the SBI Group's Businesses through Technology Development, which is a Differentiating Factor Versus Other Firms that has Blossomed

In the Kondratieff cycle*, it is considered that a new cycle of innovations have currently been entered into

* Economic business cycle of 50-60 years primarily due to technology revolution



The Rising Global Interest in Fintech Companies, and the Acceleration of New Technological Developments

“Global investment in fintech ventures tripled to \$12.21 billion in 2014, clearly signifying that the digital revolution has arrived in the financial services sector. ... (Abbrev) ... established financial services players are starting to take bold steps to engage with emerging innovations.”

Accenture. “The Future of Fintech and Banking”

The opportunity is upon the SBI Group, which has been providing innovative services as a FinTech company with a spectrum of financial institutions, such as securities, banking and insurance under its aegis, to take a considerable leap forward

- ① For investments, endeavoring to invest in and align with promising companies involved in FinTech, mobile, IoT, and big data**
 - i. Established “FinTech Fund” targeting FinTech-related companies**
 - ii. Promoting investments into companies involved in blockchain, which is expected to become a core technology in the financial system, going forward**
 - iii. Starting a capital alliance with the Yello Mobile Group, that possesses the largest mobile platform in South Korea**
 - iv. Promoting collaborations with external companies in order to heighten the sophistication of big data analysis and utilization**

Established “FinTech Fund” to Invest in FinTech-related Companies in Dec. 2015

FinTech Business Innovation LPS

- Total commitment amount is planned to be JPY 30bn
- Fund investor: Financial institutions such as regional banks, credit unions and companies familiar with FinTech technology
- Investment destination: Venture companies with superior technology in the FinTech field

Invested in free K.K. as the first investment



free K.K.

- free promotes automation and cloud migration via technology for back office operations
- free cloud accounting software is used at more than 400,000 business sites and has captured the largest share of the cloud accounting market

SBI Holdings directly invested into Money Forward, Inc., which has a similar business model to free K.K., and collaborations are being considered with SBI Sumishin Net Bank and SBI Benefit Systems

SBI Investment Invested in Orb, Inc., which is the First to Provide a Platform that Utilizes Blockchain Technology in Japan



Orb, Inc.

Business: Developing and providing Orb decentralized cloud computing system that utilizes Blockchain

- **By adopting a proprietary authentication algorithm, authentication processing in a large data center becomes unnecessary, resulting in an overwhelmingly low cost and short time authentication process**
- **Whereas the current Bitcoin blockchain system requires 10 minutes to authenticate a settlement, Orb can be processed in only 5 seconds, which is the fastest in the world for most authentication processes**
- **In Sept. 2015, released the first installment of a service using the “orb,” called “SmartCoin,” where anyone can easily issue and manage a virtual currency through the utilization of blockchain**
- **Planning to apply this technology to electronic contracts and IoT, in addition to settlements**

Considering Investments and Further Collaborations with Venture Companies that Utilize Blockchain Technology, Both Domestically and Abroad

Ripple Labs Inc. (U.S.)

- Promoting the introduction of transaction platform “Ripple Connect,” which was developed and operated as a next-generation transaction system primarily for financial institutions. Also implementing issuance of virtual currency “XRP”
- In addition to the investment into Ripple, the SBI Group newly organized “SBI Ripple Asia Business Planning Dept.” to establish the joint venture with Ripple, which will target the Asian region



bitFlyer, Inc. (Japan)

- Operates a Bitcoin sales office and exchange, whose trading volume is the highest in Japan
- Promoting the dissemination of Bitcoin through a remittance service, crowd funding and the development of a point business, all utilizing Bitcoin

Payward, Inc. (U.S.)

- Operates a virtual currency exchange "Kraken" which ensures safety under a strict security management system
- Promote the development of a financial infrastructure that leverages blockchain technology

Starting a Capital Alliance with the Yello Mobile Group, that Possesses the Largest Smartphone Platform in South Korea

- Along with an investment into Yello Mobile, starting a business alliance with Yello Mobile and its sister company Yello Financial Group
- Considering an investment into the Yello Financial Group



Yello Mobile:

A Korean comprehensive mobile service company, which was established in 2012. Provides shopping, content and, and digital marketing solutions, focused on mobile devices, with one of Korea's largest customer base of 25 million people

Yello Financial Group:

A Korean digital financial service company, which was established in 2015. Provides new forms of financial services, such as an asset management support service that utilizes Robo-advisor, as well as big data solution for financial institutions, through the utilization of machine learning

Collaboration Plans Focused on SBI Savings Bank of South Korea

Reinforcement of credit scoring model

Solidware (a Yello Financial Group company):



- Established in August 2014, Solidware processes and analyzes financial industry big data using machine learning algorithms and provides customized customer solutions.
- It has already implemented a new credit evaluation model development project that applies machine learning algorithms with a Korean savings bank and achieved a default rate decrease of approx. 3%.

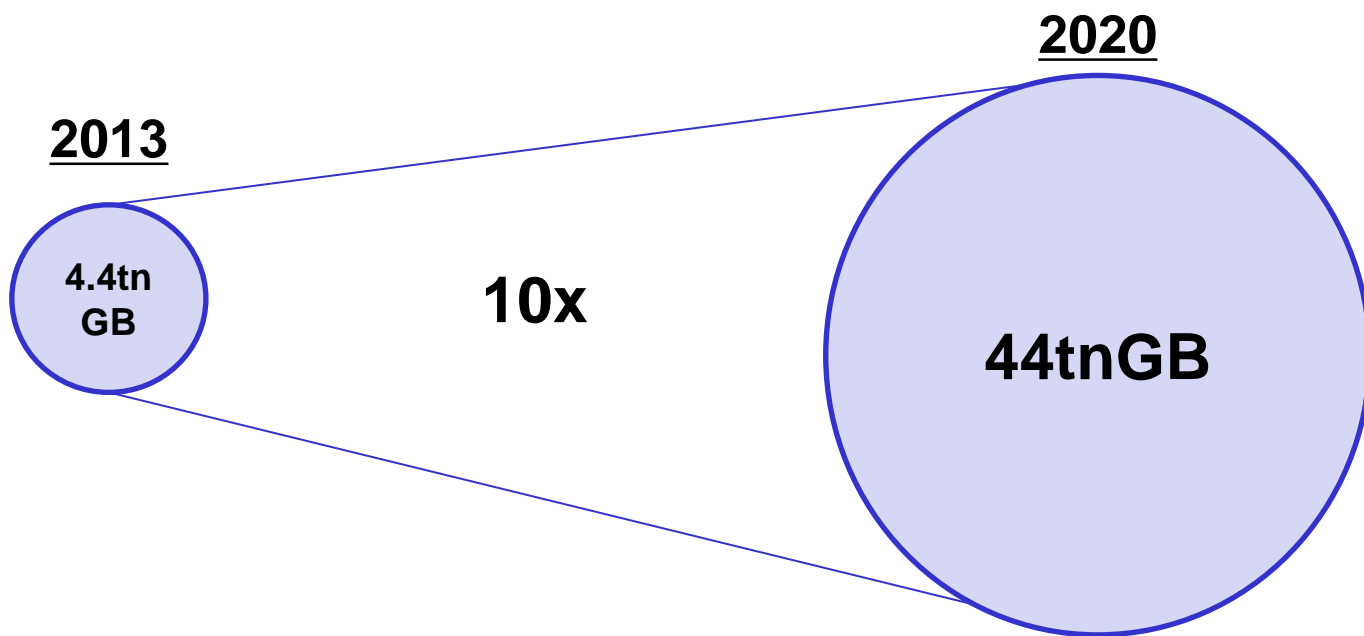
Solidware's big data analysis technology and experience will be applied to reduce the loan delinquency rate at SBI Savings Bank. The potential for introduction at SBI Sumishin Net Bank in Japan will be explored as well.

Strengthening marketing by leveraging Yello Mobile's customer base and digital media

- Strengthening customer contact through a collaboration with Yello Mobile's customer base of approx. 25 million
- Strengthening digital marketing by leveraging smartphone apps such as Pikicast and others, which are mobile content apps that the company provides, that are experiencing downloads reaching nearly 12 million

Along with the Increased Diffusion of Mobile Devices and IoT, Amount of Data Continues to Increase Significantly, Making the Analysis and Utilization of Big Data Much More Important

U.S. Research Company IDC's forecast of the amount of data produced globally on an annual basis



Through the analysis of this extensive data, it will be an important challenge for all companies to apply such analyses to new services and marketing, as well as the improvement of business operations

➡ This is grasped as a major opportunity for the SBI Group

Advancing the Cooperation with External Companies such as Google for a More Sophisticated Analysis and Utilization

The SBI Group's various services

Action history / Attribute information

Advertisement platform

Link IDs / SBI Point

Analysis platform

The Group's Big Data

Extensive available data through the Group's 19 million customers and approx. 540 million page views per month (as of Dec. 2015)

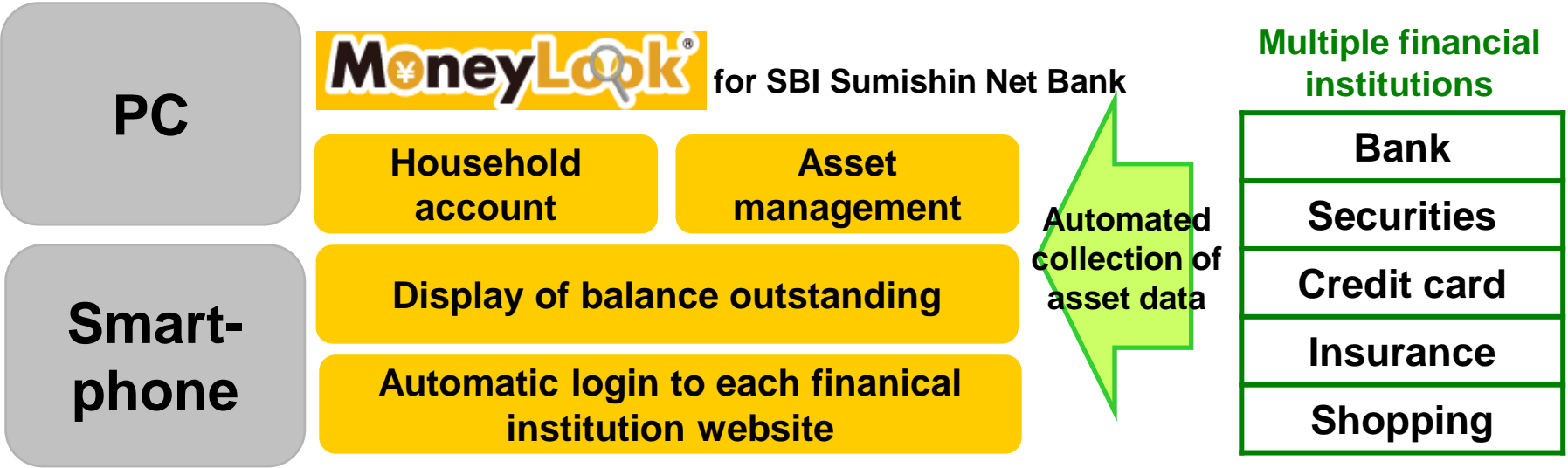
Establishment of "Group's Big Data"

- Customer analysis based on action history and attribute information
- Introducing Google's "DoubleClick Campaign Manager," which is an integration management platform for online advertisement
- Aggregating and centrally managing the group's advertising data
- Utilizing product development and targeted advertisement
- Inter-Group mutual customer referrals through the utilization of advertising and common ID platforms
- ID linking among a number of companies will be initiated by year-end FY 2015, and will be extended throughout the first half of FY 2016
- Customer loyalty program utilizing SBI Point
- Incorporating external companies' analytical techniques and know-how of big data analysis
- Actualizing "network value" through the extraction of valuable information and knowledge that leads to decision-making

To strengthen big data analysis, negotiating investments and cooperation with major overseas big data analysis companies

- ② In the Financial Services Business, strengthening initiatives for the development of new services and improvement of business efficiency by adopting new technologies related to FinTech**
- i. Promoting the development of new services in the banking-related business and defined contribution pension-related business, through alliances with FinTech companies**
 - ii. Through collaborations with external companies that possess superior blockchain technology, strengthening initiatives toward the development of new services and improvement of business efficiency in various fields within the Group**
 - iii. In the insurance business, promoting the development of personalized insurance products through an integration with IoT**
 - iv. Will integrate FinTech companies within the SBI Group as SBI FinTech Solutions (tentative name), to initiate IPO preparations as FinTech stocks**

SBI Sumishin Net Bank Offers an Asset Management Tool in Cooperation with “MoneyLook,” a Service Provided by One of the Group Companies



Through the utilization of MoneyLook, financial asset management and online usage of financial services by individuals become possible

②-i Development of the new service through the alliance with FinTech companies:
Banking-related business

Promoting the Development of a New Service through an Alliance with a FinTech Companies - Banking-related Business ① -

住信SBIネット銀行

 SBI Sumishin Net Bank



 Money Forward

- ◆ Launch of “Money Forward for SBI Sumishin Net Bank,” an automated household account services for SBI Sumishin Net Bank in Nov. 2015
- ◆ In discussions for a formal cooperation with “Money Forward” and “Money Forward for SBI Sumishin Net Bank,” utilizing the API connection offered by SBI Sumishin Net Bank



By formalizing a cooperation that utilizes the API connection that SBI Sumishin Net Bank offers, will be able to develop a more convenient and secure service

住信SBIネット銀行

 SBI Sumishin Net Bank



Offers services such as cloud-based accounting software “free” to SMEs and sole proprietors

- ◆ Considering the development of a new cloud-based accounting service with greater convenience for SMEs and sole proprietors

Through mutual customer referrals, considering loan offerings to each service user, who are primarily SMEs

Promoting the Development of a New Service through an Alliance with a FinTech Companies - Banking-related business② -



FUNDBOX LTD (United States)

- Offers small and medium sized businesses a simple way to manage and optimize their cash flow by advancing payments on outstanding invoices
- FUNDOX risk engine taps into numerous signals to assess customers and invoices for risk automatically and instantly
- Business Owner can select the invoice they wish to advance ,and with the click of a button 100% of the invoice value will be deposited in the business owner's bank account, as soon as the next business day



**In addition to an investment into FUNDBOX from SBI Holdings,
collaboration considerations between the SBI Group's banking-
related business and FUNDBOX are being considered**

- ②-i Development of the new service through the alliance with FinTech companies:
Defined contribution pension related business

Promoting the Development of a New Service through an Alliance with a FinTech Companies

- Defined Contribution Pension-related Business -

[Cooperation within the Group]



- ◆ A one-click log-in for the subscriber into a website that lists operational information for assets under management

[Collaboration with external FinTech companies]



- ◆ Jointly promoting the development of a new 401k-related service for SMEs and sole proprietors, to effectuate a seamless subscription and visualization of the defined contribution pension program

In order to proactively promote SBI Group's initiatives in the FinTech field, establishing FinTech Promotion Dept. in Feb. 2016

Blockchain Technology is Expected to become a Core FinTech Technology, and has Attracted the Attention of Financial Institutions as a New Transaction Infrastructure

Effects by adopting blockchain technology

Current core banking system

- Must establish a robust system by investing a substantial amount of money, in order to prevent the core system which processes all transactions, from crashing or being hacked
- Requires substantial operational cost, such as personnel for troubleshooting 24 hours a day



Banking system utilizing blockchain

- Blockchain allows the simultaneous operation of multiple terminals, a dispersed transaction processing where processing can be continued even if one terminal crashes. As a result, system construction cost and operational cost is reduced

A significant reduction in system cost is expected

Many financial institutions are actively promoting initiatives to adopt blockchain technology

- 42 of the world's largest financial institutions, including Japanese mega-banks, are already participating in a U.S. led consortium, R3CEV, and are discussing the standardization of financial services based on blockchain
- NASDAQ announced "Nasdaq Linq," which is the blockchain-based platform for private securities transactions, in Oct. 2015, in collaboration with Chain, which provides the blockchain technology

Through Alliances with Companies Possessing Superior Blockchain Technology, Endeavoring the Development of New Services and Operational Efficiency within the Group

SBI Group Companies

 **SBI証券** [SBI SECURITIES]

 **住信SBIネット銀行**  **Sumishin Net Bank**

 **Liquidity Market**

(Provision of market infrastructure to FX Trading)

 **Benefit Systems**

(Defined contribution pension plans)

 **Remit**

(International remittance service)

 **Point**

(SBI Group's common point program)

×

Alliance and Investee Companies*

 **ripple**


bitFlyer


orb

 **kraken**

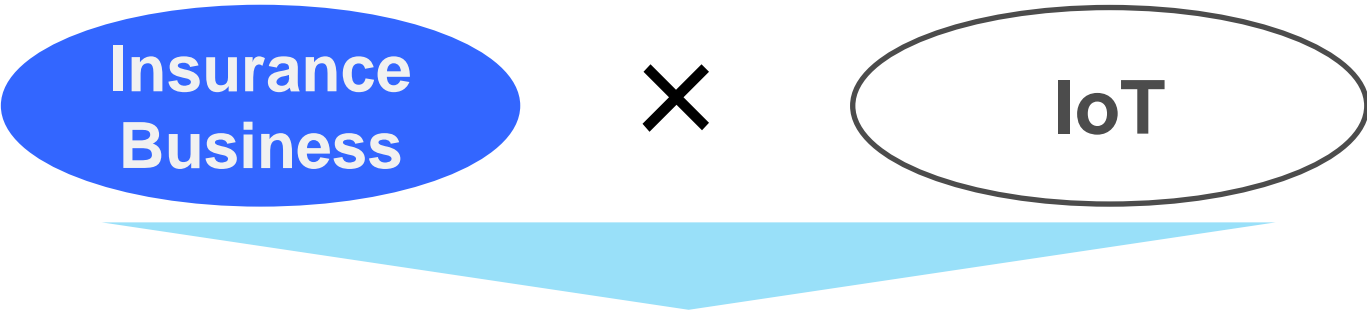

dragonfly
FINTECH

In order to promote the active use and application of blockchain technology, establishing “Blockchain Promotion Dept.” in Feb. 2016

* Including the company that the SBI Group is currently planning to invest

②-iii. Promoting the Development of Personalized Insurance Product through an integration with IoT

Promoting the Development of Personalized Insurance Products through the Combination of Insurance Business and IoT Technology



Development of Personalized Insurance Product for Life and Nonlife Insurance

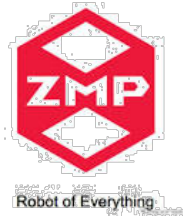


Promoting the development of personalized insurance products, where premiums are tailored and calculated according to each policy holder's risk and characteristics, by utilizing telematics technology and wearable devices, through the cooperation with ZMP, a robotic venture company.

②-iii. Promoting the Development of Personalized Insurance Product through an integration with IoT

In Cooperation with Investee Companies, Offering Advanced Cyber Security Solutions to Combat the Risk of Cyber Attacks in Conjunction with the Spread of IoT

Example:



Developing automatic driving system

IoT Technology

Cyber Security Solution

Example:

SBI Investment's
Investee Company



An Israeli company
providing cyber security
solutions for automobiles

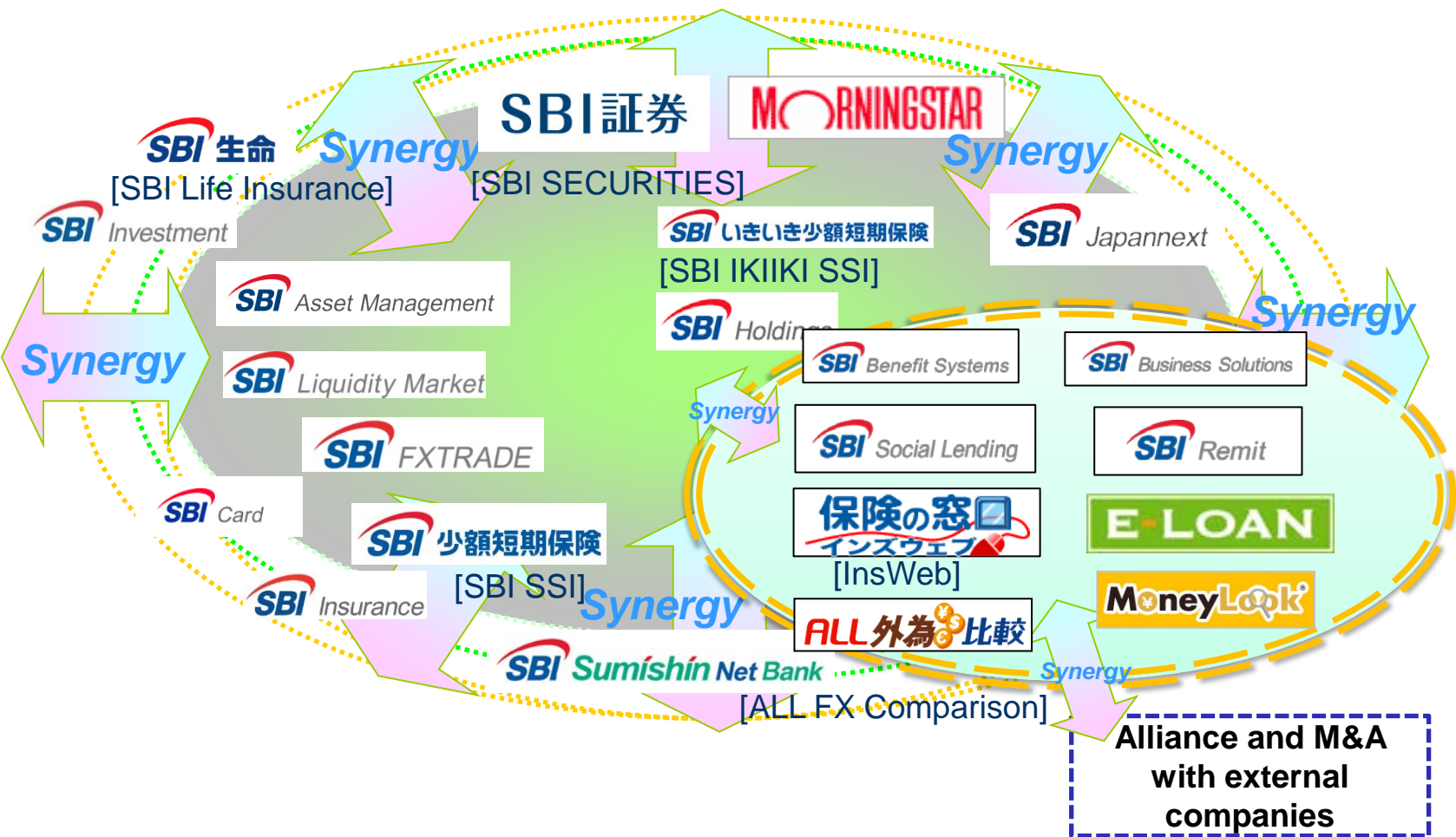
Applying to auto
insurance

- With the spread of IoT technology, while everything, including automobiles, in the world is now being connected through the Internet, the risk of cyberattacks on those devices connected through the Internet increases at the same time
- Auto insurance must respond to the increase in security risk, in addition to utilizing superior technology in the IoT field such as telematics

Considering the Development of a Business Cooperation with SBI Investment's Investee Company Argus' Cyber Security Solution for Automobiles through the Domestic Auto Insurance Business

IPO Preparations Initiated as a FinTech Stock, after Merging and Integrally Operating FinTech Companies within the SBI Group as SBI FinTech Solutions (tentative name)

Synergies will be pursued between group companies having high affinity in areas such as “Client attributes,” “Product offerings” and “Providing means,” leading to the creation of a company that will become exchange listed, but may also consider alliances and/or M&A with external companies



Group Companies and Businesses that Compose SBI FinTech Solutions (Tentative Name)

Group companies that can utilize virtual currency and blockchain technology



- Providing international remittance service that can complete remittances in 10 minutes at shortest
- Providing a service that ties borrowers and investors via the Internet
- Providing operation and management service of defined contribution pension plans that uses its own record keeping system developed by SBI Benefit Systems

Expected comparable companies: Lending Club (U.S.), Sakura Internet and Infotera etc.

Group companies providing other FinTech-related service



- Providing cloud service for accounting and settlement of expenses
- Account aggregation software corresponding to over 1,530 financial institutions

Expected comparable companies: Money Forward etc.

Group companies that can utilize big data technology



[ALL FX Comparison]

- Providing research, comparison and application services for various loan products, from one of Japan's largest available loan data bases
- One of the largest insurance marketplaces in Japan that provides services such as quotes on multiple automobile insurance policies at once, and requests informational materials from multiple life insurance companies
- Comparison website of FX trading

Expected comparable companies: Kakaku.com and Metaps etc.

Comparison with Domestic and Overseas FinTech-related Companies

| (JPY billion) | | SBI FinTech Solutions | Lending Club (U.S.) | Sakura Internet | Infoteria | Kakaku.com | Metaps |
|-------------------|--|-----------------------|---------------------|-----------------|-------------|-----------------------------|-------------|
| Stock exchange | | - | NYSE | TSE Mothers | TSE Mothers | TSE 1 st Section | TSE Mothers |
| Income | Revenue | 8.30 | 50.88 | 12.00 | 1.65 | 42.50 | 7.00 |
| | Profit before income tax expense (Ordinary Profit) | 2.11 | -0.98 | 0.88 | 0.20 | 19.70 | 0.35 |
| | Profit for the period | - | -1.16 | 0.59 | 0.10 | 13.13 | 0.35 |
| Asset | Total Asset | 3.52 | 643.20 | 16.16 | 3.47 | 35.28 | 11.61 |
| | Equity | 1.86 | 121.92 | 4.23 | 2.71 | 29.51 | 8.03 |
| Stock Price Index | Market Value | - | 349.60 | 69.42 | 22.70 | 495.50 | 25.42 |
| | PBR(x) | - | 2.9 | 16.4 | 8.4 | 16.8 | 3.2 |
| | PER(x) | - | - | 117.7 | 227.0 | 37.7 | 72.6 |

- SBI FinTech Solutions: Profit and loss items are FY2015 planned by SBI Group and asset items are as of the end of Dec. 2015. Numbers are simple sum.
- Lending Club: Profit and loss items are analyst consensus forecast of FY2015 by Bloomberg and asset items are as of the end of Sept. 2015. Currency is converted at 1 USD = JPY 120
- Sakura Internet: Profit and loss items are FY2015 planned by the Company and asset items are as of the end of Dec. 2015.
- Infoteria: Profit and loss items are FY2015 forecasted by Toyo Keizai and asset items are as of the end of Sept. 2015.
- Kakaku.com: Profit and loss items are FY2015 planned by the Company and asset items are as of the end of Sept. 2015.
- Metaps: Profit and loss items are FY2016 forecasted by Toyo Keizai and asset items are as of the end of Nov. 2015.
- As for the market value, Lending Club is based on closing price as of Jan. 27, 2016 and the other companies are based on closing price as of Jan. 28, 2016

- ③ **Promoting initiatives for expanding financial services business in overseas by capturing movements by financial authorities to actively promote internet and mobile financial services**

Overseas, Movements by Financial Authorities to Actively Promote Internet and Mobile Financial Services has Begun

Examples of government (financial authority) promotion of the above

China

- The Chinese government's finance-related department announced their first guidelines for the sound development and strengthened supervision of Internet financial services (July 18, 2015)
- At the Standing Committee of the State Council of the People's Republic of China, Li Keqiang, Premier of the People's Republic of China, articulated that further financial reforms will be promoted for the Shanghai Pilot Free Trade Zone (Oct. 21, 2015)

South Korea

- Toward the establishment of pure-play Internet banks, the Financial Services Commission, which is a national government agency, introduced a draft proposal that includes the deregulation of the current Banking Act (June 18, 2015)
- The Financial Services Commission announced that it is giving a preliminary approval for a pure-play Internet bank to consortiums lead by three companies, KT (largest telecom carrier), Daum Kakao (major IT company) and INTERPARK (major online shopping company) (Nov. 29, 2015)

Thailand

- SBI Thai Online Securities received the securities business license and commenced operations on Oct. as the first pure-play internet securities (Oct.16, 2015)

As the First Ever Pure-play Online Securities Business in Thailand, SBI Thai Online Securities Started Its Operations



- Started its business as the first ever pure-play online securities business in Thailand on Oct. 16, 2015
- Offering useful and secure securities services with minimum level brokerage in the industry, with trading tools that are equipped with various ordering functions, and includes a high security system which is as safe as that in Japan


Finansia Syrus Securities :

Finansia Syrus Securities is one of the major securities companies that has high share of Individual stock trading in Thailand, and it also conducts investment banking business, such as mediation of M&A and IPO underwriting.

Factors supporting the SBI Group's rapid growth stage

(3) The Japanese government is promoting various initiatives toward stock market revitalization

With the Enactment of Abenomics, the Government Introduced Various Policies that are Expected to Positively Influence the Company's Business



| | |
|------------------|--|
| Jan. 2014 | NISA Started |
| June 2014 | Announced Japan Revitalization Strategy (Revised in 2014) <ul style="list-style-type: none">▪ The establishment of a taxation system to facilitate companies to invest into venture funds▪ The promotion of a growth strategy for each region, with the innovation of SMEs and micro enterprises (regional revitalization), etc. |
| Oct. 2014 | Raising upper limit amount of Defined Contribution Pension (corporate type) |
| Nov. 2015 | Listing of the Japan Post Group's stocks on TSE |
| Jan. 2016 | Expansion of the maximum annual tax-free amount of NISA (yearly JPY 1.2m) and start of Junior NISA |
| 2017~ | Expansion of targets for Defined Contribution Pension (individual type) |

Succeeded at Attaining New Customers through NISA

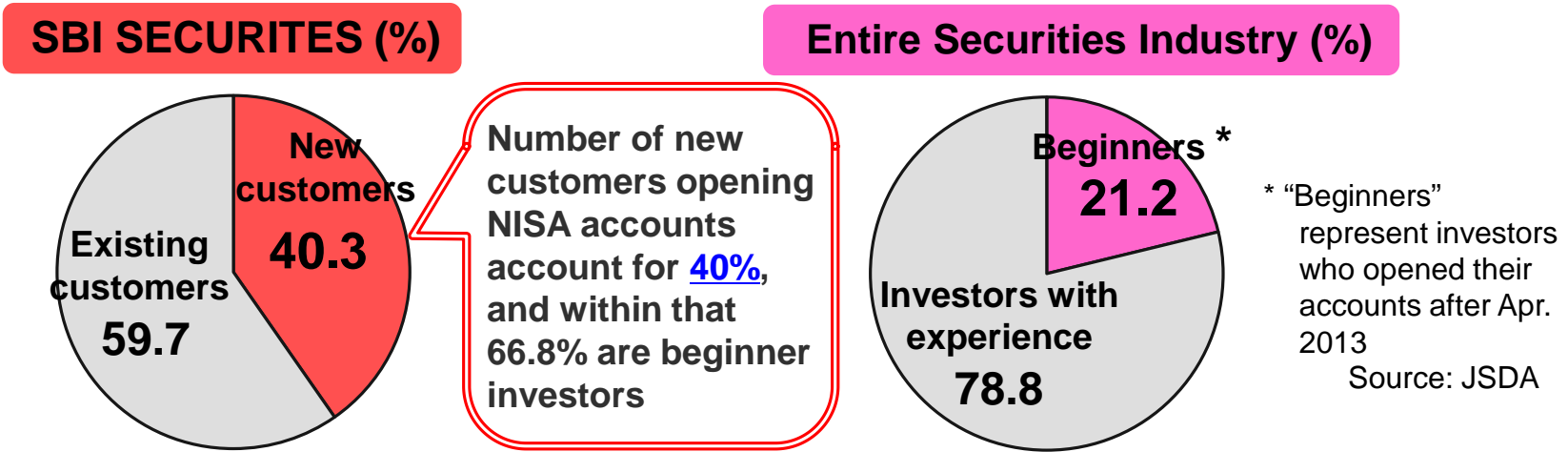
Despite initiating the customer acquisition process at the same time, the gap with online peers is conspicuous

| (Dec. 2015) | SBI | Matsui | kabu.com | Nomura | Daiwa |
|----------------------|--------------------|-------------|-------------|---------------|-------------|
| No. of NISA accounts | <u>ca. 780,000</u> | ca. 100,000 | ca. 120,000 | ca. 1,590,000 | ca. 740,000 |

* The number of accounts are as of the end of Dec. 2015, compiled by SBIH from the information on websites of each company. As for Nomura, the number of accounts are as of the end of Sept. 2015.

As of Jan. 28, 2016, SBI SECURITIES has approx. 780,000 accounts, and deposits of JPY 327.2bn

Comparison of Customer Attributes (as of the end of Sept. 2015)



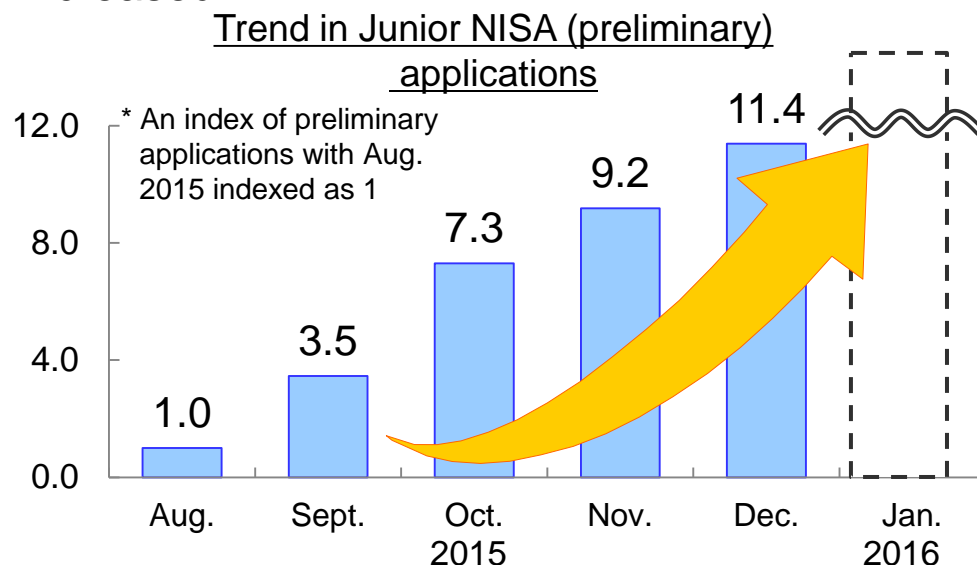
■ SBI SECURITIES' active account ratio: 61.6% (Among the entire securities industry, the average ratio is 53.5%)

Continuously Focusing on Attaining New Customers with the Tailwind of the New NISA System Starting Jan. 2016


The tax-exempt investment ceiling increases to JPY 1.2m annually and the Junior NISA program will start in 2016, so the focus on attaining new customers will continue to be pursued through the implementation of measures such as free transaction fees

■ SBI SECURITIES' approach regarding the start of Junior NISA

- Began the acceptance of preliminary applications for Junior NISA, as the first online securities company, from Aug. 14, 2015
- Since the start of the Aug. 2015 acceptance, the number of applications rapidly increased



A waiver of commission fees for domestic equities and overseas ETF transactions conducted during 2016 was determined

 In order to obtain the “Workplace Savings NISA” business, which is geared toward officers and employees, SBI SECURITIES is conducting sales activities toward counterparty companies, focusing on those for which it served as the lead manager

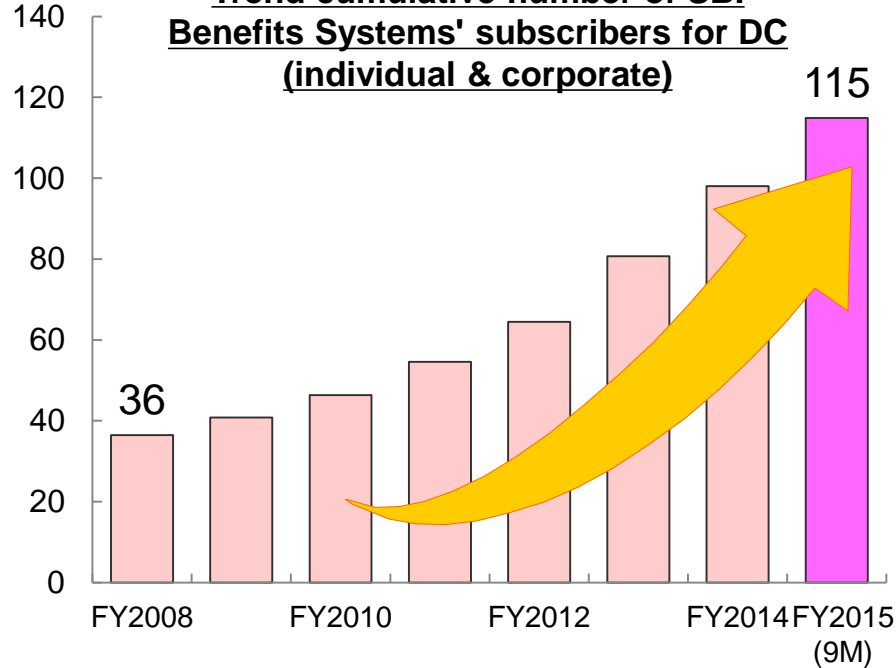
According to the expansion of targets, which is now limited to self-employed individuals, its family members, students and employees of companies without corporate pension plans, will now be open to the entire working generation that joins the National Pension Plan, which is expected to further promote the utilization of the Defined Contribution Pension (individual type)

A need for this tax sheltered pension system to save funds for use upon retirement is increasing



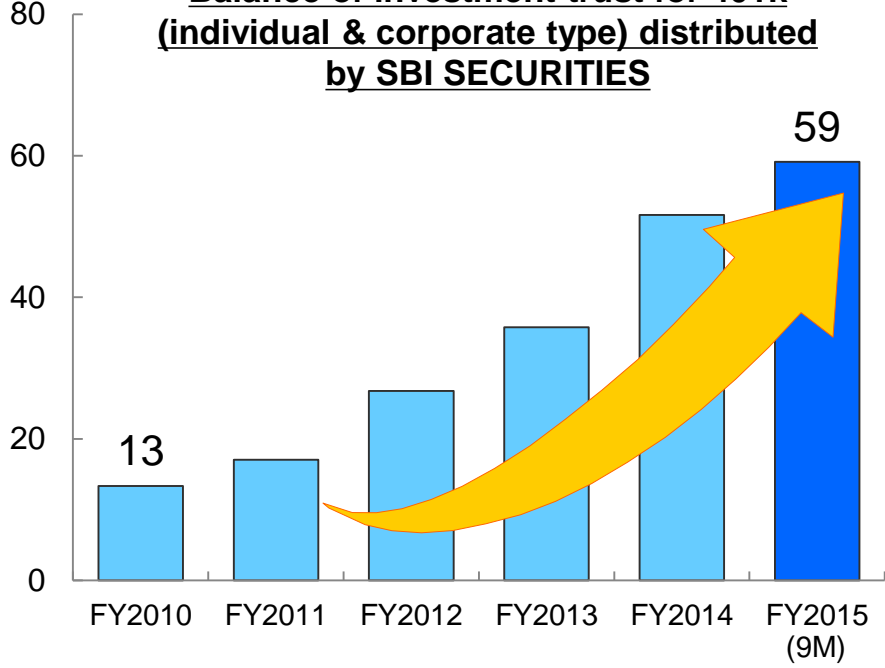
(Thousand persons)

Trend cumulative number of SBI Benefits Systems' subscribers for DC (individual & corporate)



(JPY billion)

Balance of investment trust for 401k (individual & corporate type) distributed by SBI SECURITIES



Factors supporting the SBI Group's rapid growth stage

(4) In the Biotechnology-related business, entering a full-scale growth stage through steady progress and strategic moves, toward the further expansion of the business and the development of the pipeline

- ① SBI Biotech began discussions with several securities firms in preparation for an IPO on the U.S. NASDAQ market by subsidiary Quark Pharmaceuticals.**
- ② In the 5-ALA business, nearly completing the establishment of a globally exclusive supply system, which includes an active ingredient of 5-ALA, that will integrate the development, manufacture and sales of the product**

About Quark Pharmaceuticals, Inc., a Wholly-owned Subsidiary of SBI Biotech

Since Quark has two products at the Phase III stage in its drug discovery pipeline, it has satisfied the conditions for a public offering on the NASDAQ market.

Products at the Phase III stage in its drug discovery pipeline:

- QPI-1002: Kidney Transplantation (DGF) (Licensing partner: Novartis International AG)
- QPI-1007: Non-arteritic anterior ischemic optic neuropathy (NAION) (Licensing partner: Biocon Ltd of India)



SBI Biotech began discussions with several securities firms in preparation for an IPO on the U.S. NASDAQ market by subsidiary Quark Pharmaceuticals.

② In the 5-ALA Business, Nearly Completing the Establishment of a Globally Exclusive Supply System, which Includes an Active Ingredient of 5-ALA, that will Integrate the Development, Manufacture and Sales of the Product

Through the acquisition of the German pharmaceutical company, photonic, rapidly advancing toward the globalization of R&D, marketing and out-licensing

i. Global Research

- Enhancement of R&D pipeline and acceleration of global expansion by promoting cooperation
- In SBI Pharmaceuticals' drug pipeline, clinical trials are progressing in Japan and overseas (one product introduced, one Phase III trial and four Phase II trials)
- Collaboration with more than 90 research organizations in Japan and overseas, where both basic and other clinical research concerning 5-ALA is advancing
- SBI Pharmaceuticals has already domestically obtained 26 patents, and is also steadily obtaining patents overseas (among the domestically obtained patents, 10 have also been patented overseas thus far).

b. Global Marketing

- Strengthening overseas sales structure for drugs
- Establishment of a production system for 5-ALA-related products in China
- A first food intervention trial that complies with the GCP* was successfully completed in Bahrain
- SBI ALApromo implementing various measures to increase the sales of 5-ALA-related products

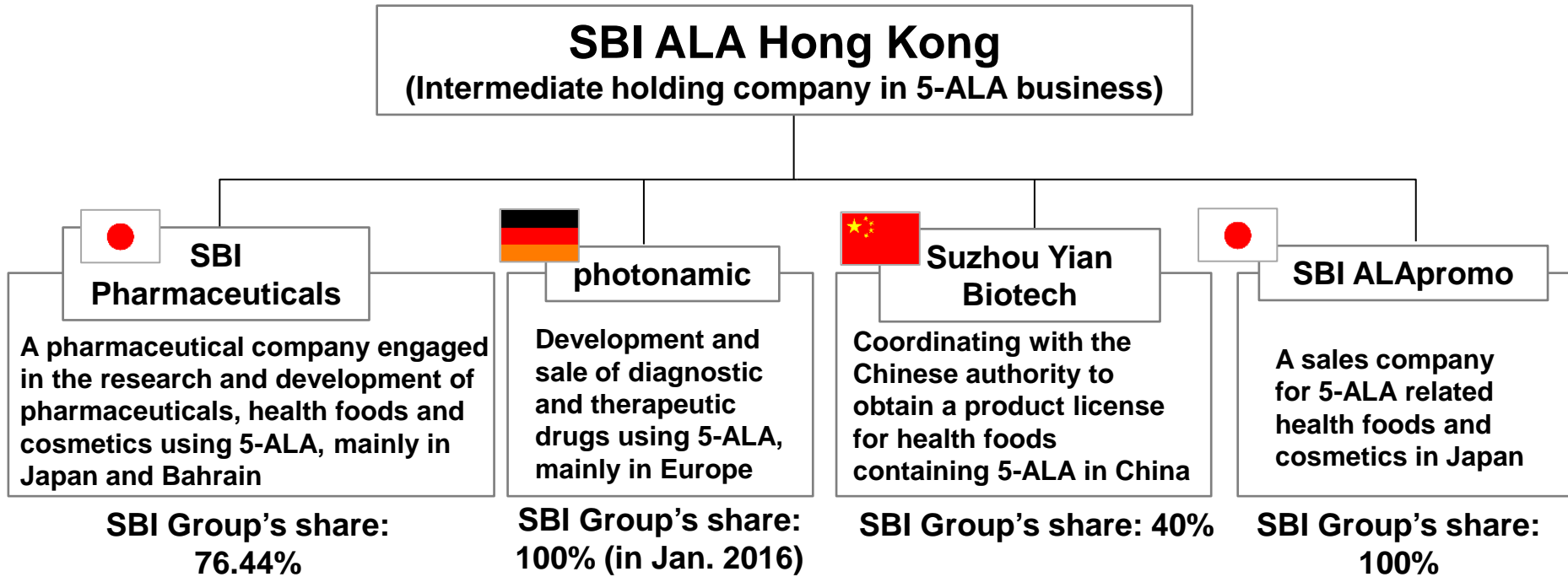
c. Global Licensing-out

- SBI Pharmaceuticals promotes the licensing-out of technology and business partnership in Japan and abroad

*GCP: An abbreviation for Good Clinical Practice, which is a standard for performing clinical tests on pharmaceutical products.

Establishing a Global Structure through the Acquisition of photonamic

5-ALA business structure within a year to a year-and-a-half (plan)



photonamic's development items:

Diagnostic agent for brain tumors and drug for treating actinic keratosis
→ Obtained sales approval in Europe, etc.

Additionally, photonamic maintains pipelines for the development of interoperative diagnostic drugs for various types of cancer and of photodynamic therapy (PDT) for brain tumors in Europe

Establishment of New Three Divisions in SBI ALA Hong Kong to Establish a Global Structure

(Plan)

SBI ALA Hong Kong
(Leader: Kitao, CEO of SBI Group)

~Intermediate holding company in 5-ALA business~

a. Global Research (Leader: Nakajima, CSO of SBI Pharmaceuticals)

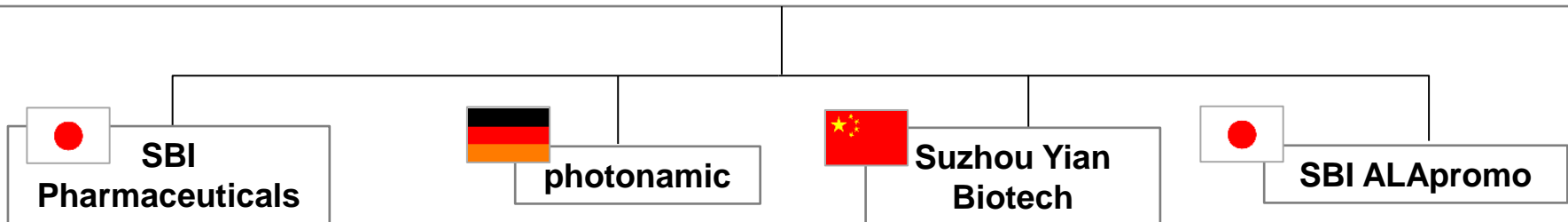
A division to establish a dominating business structure for 5-ALA-related drugs in Japan and abroad

b. Global Marketing (Leader: Ulrich Kosciessa, CEO of photonamic)

A division to make decisions regarding marketing strategy in the U.S. and other countries



c. Global Licensing-out (Leader: Kawata, COO of SBI Pharmaceuticals, and Tanaka, CTO of SBI Pharmaceuticals)

A division to advance the licensing-out of technology and business partnership in the field of drugs and health foods in Japan and abroad



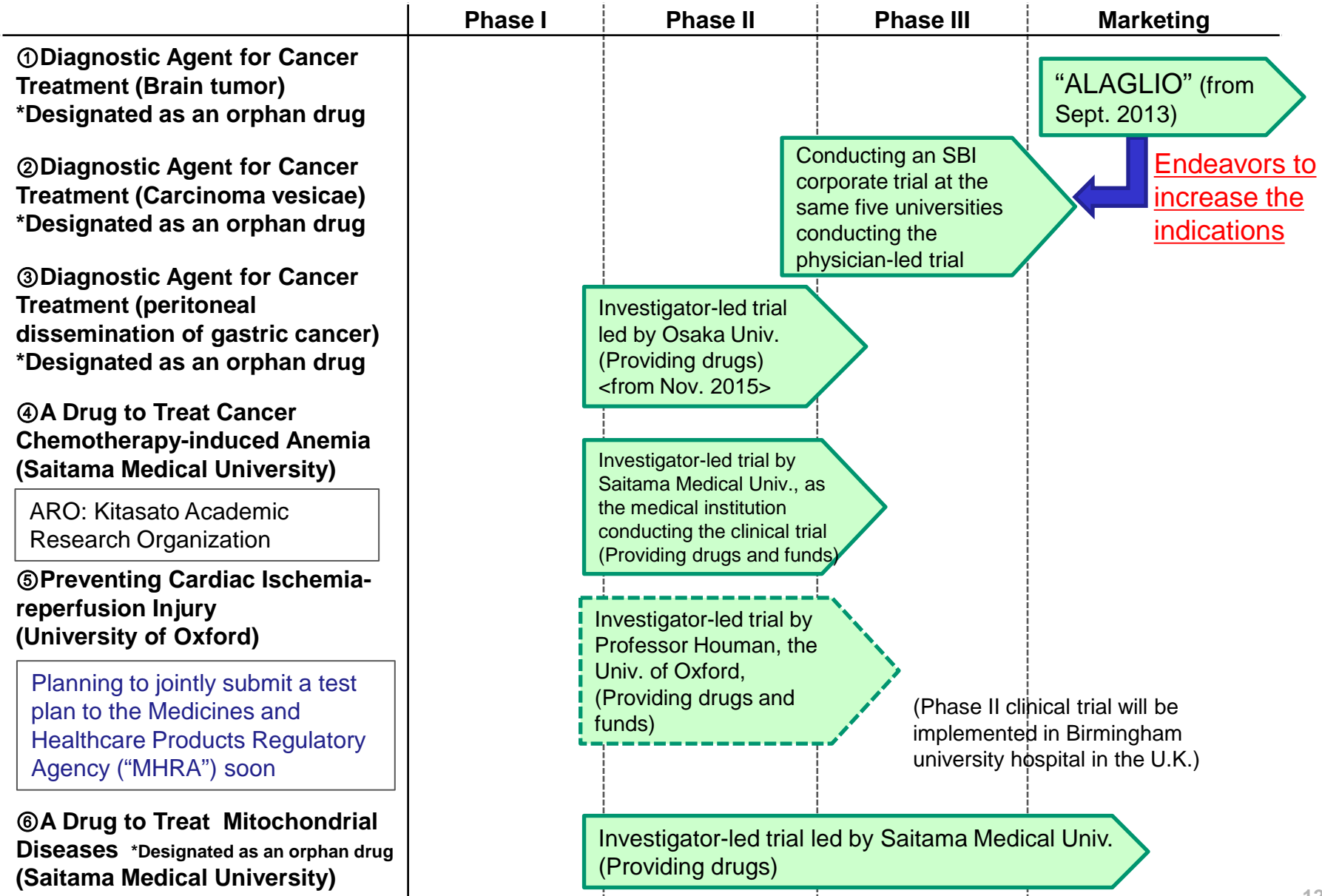
Global Expansion Acceleration through the Integration of the Research System

Reinforcement of the R&D foundation through collaboration between SBI Pharmaceuticals (Japan) and photonamic (Germany) to expand both companies’ pipelines as rapidly as possible

| <div>Company name</div> <div>Developing drugs</div> |  photonamic |  SBI Pharmaceuticals |
|---|---|---|
| Drug for treating actinic keratosis | Received approval to sell it in Europe in 2009 as well as recently in Australia under the name of “Alacare” | Promote use in Japan within the framework of the advanced medical care system. |
| Diagnostic agent for carcinoma vesicae | Approved by the European Medicines Agency (EMA) in 2007 An expand indication for carcinoma vesicae | Conducting an SBI corporate trial at the Phase III stage in Japan |
| Photodynamic therapy (PDT) for brain tumors | SBI Pharmaceuticals and photonamic are planning a clinical trial at Osaka Univ. and LMU Munich | |

R&D Progress in the Pharmaceutical Field

Sponsored by SBI Pharmaceuticals



Progress in Development of a Therapeutic Agent for Mitochondrial Disease
(Designated as an orphan drug)

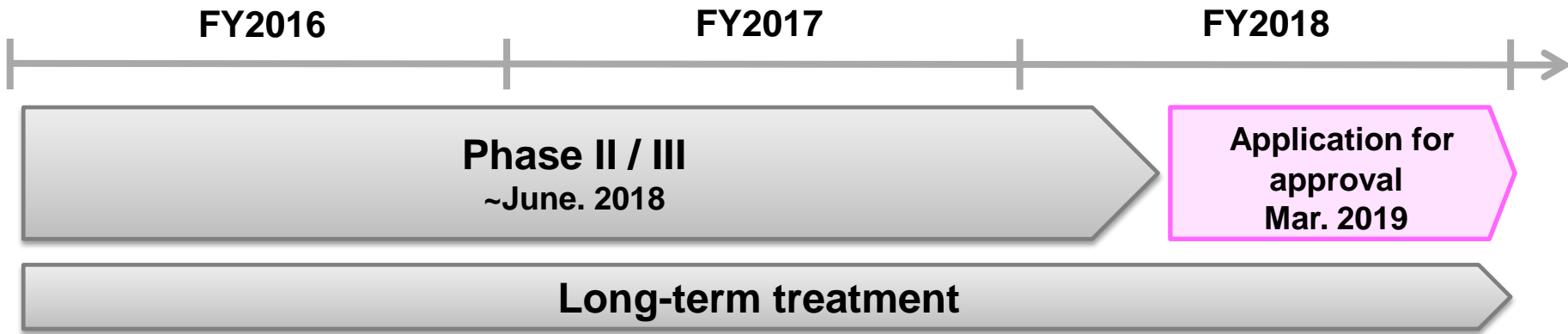
A physician-led (Phase II) clinical trial based on a Phase II and III trial plan is underway at Saitama Medical University.

Mitochondrial disease is an intractable disease caused by mitochondria malfunction, and no therapeutic agent is available on the market.



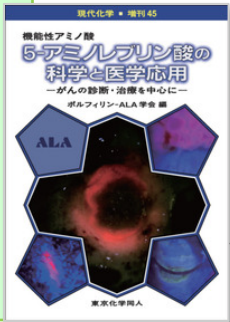
Mechanism of action hypothesis: Mitochondria activation is thought to be accelerated due to the synthesis of heme from 5-ALA incorporated in cells and an increase in mitochondrial complexes. Therefore, 5-ALA is expected to have therapeutic applications in the treatment of mitochondrial disease.

Development schedule(plan):



Research Using 5-ALA is Advancing at 67 Universities and Hospitals

Published **“Functional Amino Acid; Science and Medical Applications of 5-Aminolevulinic acid (Chemistry Today, special edition 45) ~Focused on diagnosis and treatment of cancer~”** (ALA and Porphyrin Research Society) in Oct. This journal contains various research papers on 5-ALA by 48 leading research scientists



Asahikawa Medical Univ.

Diagnostic agent (mesothelioma)

Hokkaido Univ.

Alzheimer's disease

Shimane Univ. Parkinson's disease

Hiroshima Univ. Diabetic disease

Univ. of Occupational and Environmental Health, Japan

Radiosensitizing effect
Contrast enhancement in MRI for brain tumor

Kumamoto Univ.

Contrast enhancement in MRI for brain tumor

Tokushima Univ.

Ultrasonic therapy

Diagnostic agent for cancer treatment (carcinoma vesicae)
Acute nephropathy

Preventing nephrotoxicity by an anticancer agent

Yamaguchi Univ.

Diagnostic agent for cancer treatment (carcinoma vesicae)

Nara Medical Univ.

Tottori Univ. PDT / Ultrasonic therapy

Osaka Univ.

Diagnostic agent for cancer treatment (peritoneal dissemination of gastric cancer)
Development of instruments for PDT

Kyoto Prefectural Univ. Dyslipidemia

Kyoto Prefectural Univ. of Medicine
Diagnostic agent for cancer treatment (digestive cancer) / Cancer screening / PDT

Osaka City Univ. PDT (Skin ulcers)

Osaka Medical Center for Cancer and Cardiovascular Diseases

Diagnostic agent for cancer treatment (digestive cancer)
Cancer screening

Hamamatsu Univ. School of Medicine.

Tohoku Univ.

Yamagata Univ. Diabetic disease
Infertility

Chronic nephropathy
Sideroblastic anemia

Saitama Medical Univ.

Cancer chemotherapy-induced anemia
Diagnostic agent for cancer treatment (carcinoma vesicae)
Mitochondrial diseases

Shinshu Univ.

Anti-aging / Hyperanakesia

Tokyo Institute of Technology

Diagnostic agent / PDT / Chemotherapy

The Univ. of Tokyo

Diabetic disease / Malaria

Keio Univ.

Metabolic disease

Tokyo Univ. of Agriculture

Thermotherapy

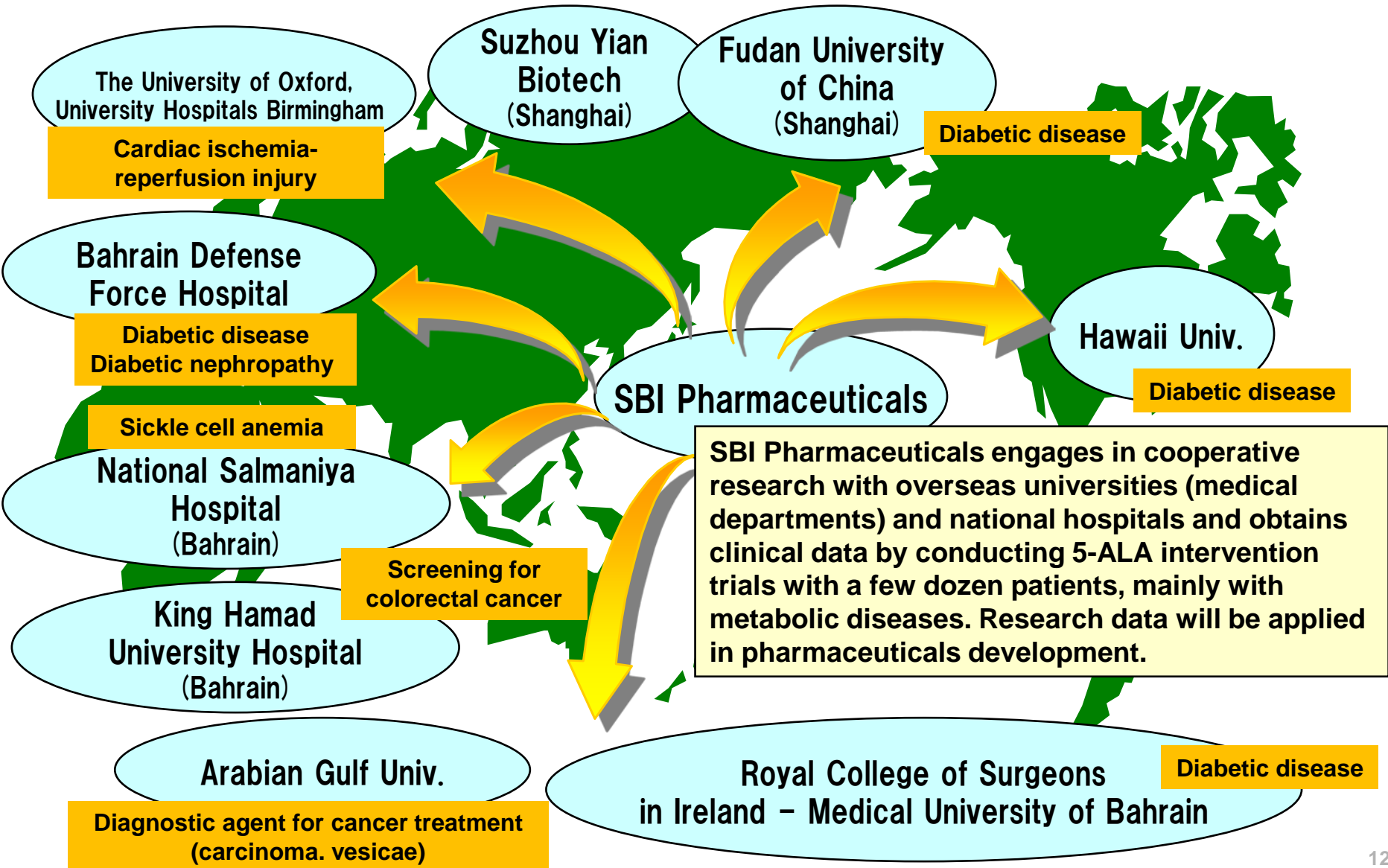
National Center for Child Health and Development

Organ Transplantation

Nihon Univ.

Septicemia /Hyperanakesia

Expanding Co-Researchers and Business Partners in the World



i. Global research (Granted patents):

Patents Held by SBI Pharmaceuticals in Japan (Total of 26 Patents)

| The name of the invention | Registration date | Co-applicants |
|---|-------------------|-------------------------------------|
| Composition for peeling | June 15, 2007 | Single application |
| External preparation for the skin | July 27, 2007 | Single application |
| Antioxidation function improver | Sept. 2, 2011 | Cosmo Oil |
| Health function improver | Sept. 2, 2011 | Cosmo Oil |
| Immune function improver | Sept. 2, 2011 | Cosmo Oil |
| Tumor diagnostic agent | July 13, 2012 | Single application |
| Mitochondrial damage brain disorder treatment and diagnostic agent | Oct. 5, 2012 | Single application |
| Urinary tract tumor determination system | Mar. 22, 2013 | Kochi University |
| Photolesion alleviator | June 21, 2013 | Single application |
| Automatic tumor identification device and automatic tumor location identification method | Feb. 7, 2014 | Single application |
| Bladder cancer detection method | Feb. 14, 2014 | Kochi University |
| Urothelial cancer detection method | Feb. 21, 2014 | Kochi University |
| Male infertility treatment | Mar. 14, 2014 | Single application |
| Cancer thermotherapy action enhancer | Apr. 18, 2014 | Tokyo University of Agriculture |
| Mitochondrial fluorescence staining method | July 11, 2014 | Okayama University/Kochi University |
| Antimalarial drug whose active ingredient is 5-aminolevulinic acid or a derivative thereof | July 25, 2014 | The University of Tokyo |
| Cancer prophylactic and/or improving agent whose active ingredient is 5-aminolevulinic acid or a derivative thereof or a salt thereof | Sept. 12, 2014 | Single application |
| Alaremycin derivative | Nov. 14, 2014 | Tokyo Institute of Technology |
| Adult disease prophylactic and/or improving agent whose active ingredient is 5-aminolevulinic acid or a derivative thereof, or a salt thereof | Dec. 19, 2014 | Single application |
| Antimalarial drug whose active ingredient is alaremycin or a derivative thereof | Dec. 26, 2014 | Tokyo Institute of Technology |
| Treatment for allergic rhinitis | Mar. 20, 2015 | National Hospital Organization |
| Agent for preventing and/or treating veisalgia | Sept. 18, 2015 | Single application |
| Treatment agent and/or prophylactic agent for side effects of cancer drugs | Oct. 9, 2015 | Kochi University |
| Erythropoietin production accelerator | Oct. 9, 2015 | Tohoku University |
| Tumor diagnostic agent | Nov. 13, 2015 | Single application |
| Photodynamic therapy or diagnostic agent, using infrared-spectrum light | Dec. 18, 2015 | Tokyo Institute of Technology |

Patents Held by SBI Pharmaceuticals Overseas

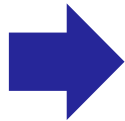
SBI Pharmaceuticals has already obtained 26 patents in Japan and is gradually obtaining patents overseas as well. Among the patents obtained in Japan, 10 patents has been obtained overseas so far (20 countries). The patent relating diabetes has been obtained as well as in U.S. in Aug.

| | The name of the invention (Co-applicants) | International registration (countries) |
|----|---|--|
| 1 | Composition for peeling (Single application) | Canada, Germany and other 2 countries |
| 2 | External preparation for the skin (Single application) | China, Korea and other 11 countries |
| 3 | Health function improver (Cosmo Oil) | U.S., China and other 11 countries |
| 4 | Tumor diagnostic agent (Single application) | China, Korea and other 2 countries |
| 5 | Mitochondrial damage brain disorder treatment and diagnostic agent (Single application) | U.S., China and other 5 countries |
| 6 | Bladder cancer detection method (Kochi University) | U.S. |
| 7 | Male infertility treatment (Single application) | U.S., China and other 7 countries |
| 8 | Cancer thermotherapy action enhancer (Tokyo University of Agriculture) | U.S., U.K. and other 4 countries |
| 9 | Antimalarial drug whose active ingredient is 5-aminolevulinic acid or a derivative thereof (The University of Tokyo) | U.S., Canada and other 2 countries |
| 10 | Adult disease prophylactic and/or improving agent whose active ingredient is 5-aminolevulinic acid or a derivative thereof or a salt thereof (Single application) | U.S. and Korea |

Strengthening the Overseas Pharmaceutical Sales Structure through the Establishment of a Global Marketing Division

Global sales of photonamic's pharmaceutical products:

- Diagnostic agent for brain tumors: Approved by the European Medicines Agency (EMA) in 2007. Today, under the name of “Gliolan”, it is sold in over 25 countries in Europe, including Germany and the U.K., with medac serving as photonamic’s sales partner.
SBI Pharmaceuticals also has been selling the drug in Japan under the name of “ALAGLIO”



Preparation for submission of an application for production and marketing approval in the U.S.

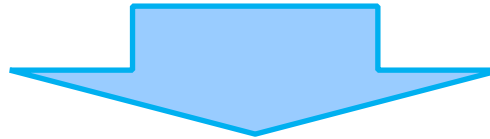
- Drug for treating actinic keratosis “Alacare”: Received approval to sell it in Europe in 2009 as well as recently in Australia

Through the acquisition of photonamc, engaged in the development and sales of diagnostic and therapeutic drugs that use 5-ALA in Europe, Australia and the U.S., to establish an exclusive business structure for the 5-ALA-related drugs in Japan and abroad

Establishment of a Production System for 5-ALA-related Products in China

As a part of obtaining the product license for health foods containing 5-ALA that Suzhou Yian Biotech Co., Ltd (SBI Group shareholding of 40%) will be distributing, an application for registration as a new resources food to the Chinese Ministry of Health is underway.

*New resources food registration: Foods for which no dietary habit exists in China and food raw materials resulting from new technology are subject to examination by the Chinese Ministry of Health (the counterpart to Japan's Ministry of Health, Labour and Welfare).



A food product license is expected to be obtained after a public information period of two to three months (equivalent to Japan's public comment system), following the receipt of an official response from their Technical Committee, if there are no objections on their part

The construction of the health food manufacturing plant has already been completed, and with the equipment installation already in progress, preparations are well underway for the start of production once the product licenses are obtained

In A Food Intervention Trial that Complied with GCP(*) Standards in Bahrain, the Safety of Administration of Highly Concentrated to Arab Patients with Type 2 Diabetes was Confirmed

(*)GCP: An abbreviation for Good Clinical Practice, which is a standard for performing clinical tests on pharmaceutical products.

In the food intervention trials at the Bahrain Defense Force Hospital, the safety of administration of highly concentrated 5-ALA to Arab patients with type 2 diabetes was confirmed, and it was confirmed that HbA1c (hemoglobin A1c), which is directly related to diabetes, decreased significantly as a result of ingestion of test meals for 12 weeks.



Planning publication of an academic paper in related journals

In Bahrain, the plan is to continue to conduct GCP-compliant food intervention trials in the fields of diabetic nephropathy, sickle cell anemia and photodynamic screening (PDS) in cancer diagnosis.

*Japan-Bahrain joint research into PDS is planned.

Various Measures for the Sales Increase of 5-ALA-related Products by SBI ALApromo (i)

Make development of food labeled with health benefits a key strategy

- First launch of “ALA Plus Tou (Sugar) Down,” a food labeled with health benefits, containing 5-ALA

It will have a functional label indicating that: “The product contains 5-aminolevulinic acid phosphate and helps normalize high fasting glucose levels. It has a function to moderate the elevation of postprandial glucose level. It is suitable for people with high blood sugar levels.”

A clinical trial, on which the application is based, was conducted at Hiroshima University on 212 patients with slightly high blood sugar levels, and a similar trial was also conducted at the University of Hawaii.

- In preparations for the development of new foods labeled with health benefits

Development plan:

Measures for hangovers

Male fertility improvement

Improvement in the exercise capacity for the elderly

Various Measures for the Sales Increase of 5-ALA-related Products by SBI ALApromo (ii)

Conducting a joint promotion with Kenkou Corporation

Kenkou Corporation will absorb the majority of the promotion cost, to achieve a 70% awareness of 5-ALA



Development and marketing of many hit products among beauty and health products



Operation of fitness center chain "RIZAP"

Schedule:

- As a first step, promoting "ALA Plus Tou (Sugar) Down " through transit promotions from Feb.

Bus routes in Tokyo Rear panel (for 2 months in February and March)
Keio Bus, Kanto Bus, Seibu Bus, Odakyu Bus

JR East Door-side ads in three locations (for about a week in late February)
Total 17 lines : Yamanote Line, Keihin-Tohoku Line, Yokohama Line, Sobu Line, Saikyo Line, Rinkai Line, Chuo Line, Shōnan-Shinjuku Line and others

- Planning joint development of original products containing 5-ALA for RIZAP members from next fiscal year

SBI Pharmaceuticals Progresses the Licensing-out of Technology and Business Partnership in Japan and Abroad

1. In discussions for the out-licensing of technology in the pharmaceutical fields

<In discussions for the out-licensing of technology by category>

Company A: Diagnostic Agent for Cancer Treatment (Carcinoma vesicae)

Company B: Mitochondrial diseases/Central Nervous System diseases including Parkinson's disease and Alzheimer's disease

2. Progressing with discussions for the licensing-out of technology and business partnership in the food fields

3. Promoting sales of health foods in Asia and Middle East

Already on sale : Bahrain, Jordan, Philippine

In discussions : Thailand, Indonesia, Malesia, UAE

4. Demonstration tests of livestock feeds initiated in Mexico

Excellent interim results have been obtained in demonstration testing of livestock feed containing 5-ALA being conducted locally, and a commercialization plan will be implemented based on the results.

5. In Hong Kong, in preparation for the registration of a cosmetic ingredient

Coordination with the regulatory authorities is underway to enable use of 5-ALA phosphate, a cosmetics raw material used in Japan, as a raw material in Hong Kong.

[Reference]

**The Company's current stock price, and our method
in calculating the estimated corporate value**

Corporate Value by Business Segment Valuation

Each Business Segment Valuation is Conservatively Estimated

■ **Sum of the values by segment** (as of Jan. 28, 2016) (JPY billion)

| | Valuation of each segment (theoretical value) |
|---|--|
| Financial Services | 474.3 |
| Asset Management | 190.3 |
| Biotechnology-related | 71.5 |
| Subtotal | 736.1 (+) |
| External Debt (SBIH's non-consolidated-base borrowing recorded on the consolidated B/S as of Sept. 2015) | -191.1 |
| Sum Total | 544.9 (+)* |

- Business valuation per share: **JPY 3,278** ←

- Business valuation per share after deduction of external debt: **JPY 2,427** ←

Of the major Group companies, 11 are profitable companies that are not included in the above calculations (Total FY2014 Profit before Income Tax Expense: approx. JPY 4.0bn)

* Since the figure is a simple sum of the values of each segment with interest-bearing liabilities of SBIH not taken into account in the calculation, the abovementioned business valuation per share does not show the theoretical stock price of SBIH.

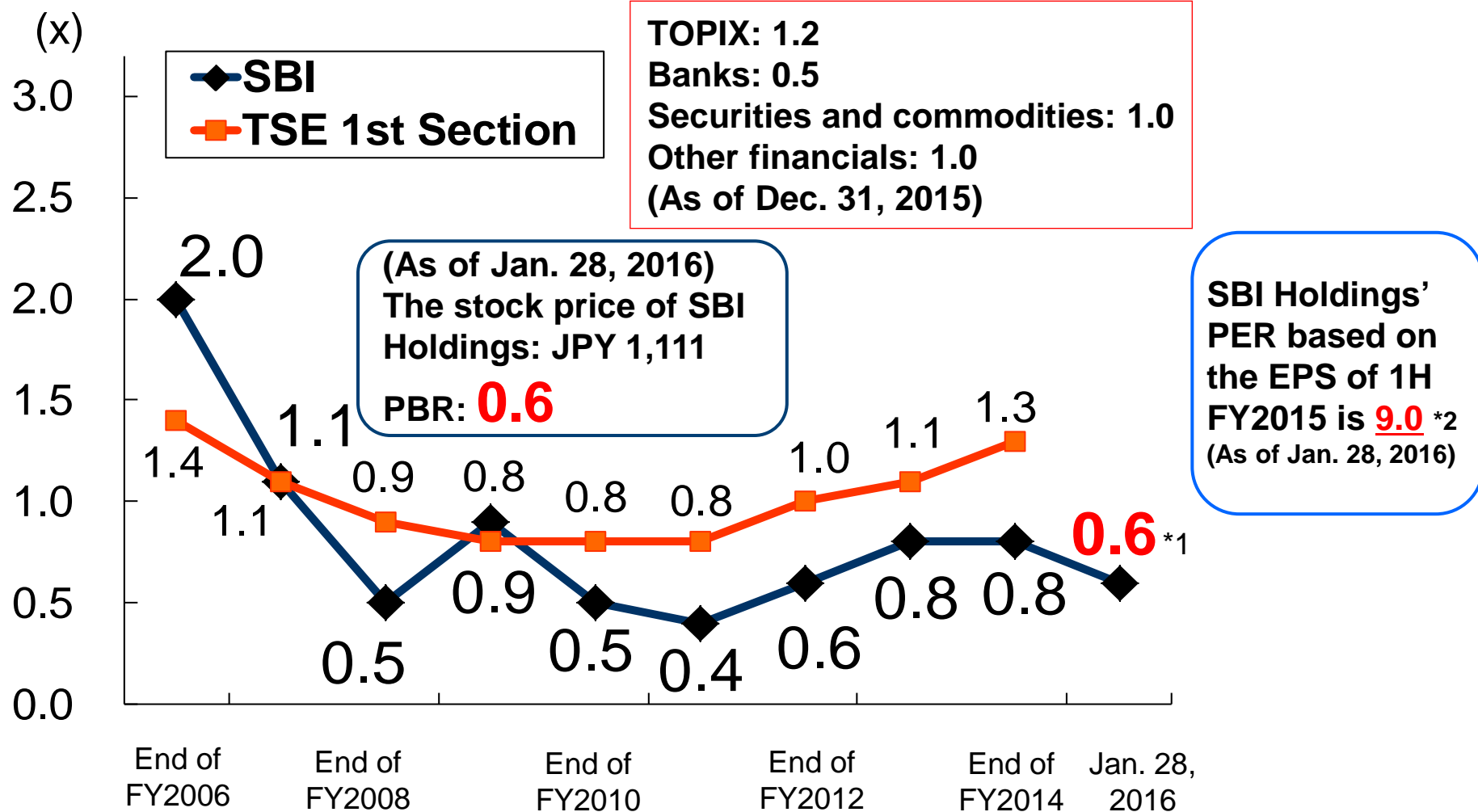
SBI Holding's Recent Stock Price

Market cap (based on the closing price on Jan. 28, 2016): **JPY 249.5bn**



Change in PBR of SBI Holdings

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



*1 PBR of SBI Holdings for Jan. 28, 2016 is calculated based on the BPS of the end of Dec. 2015.

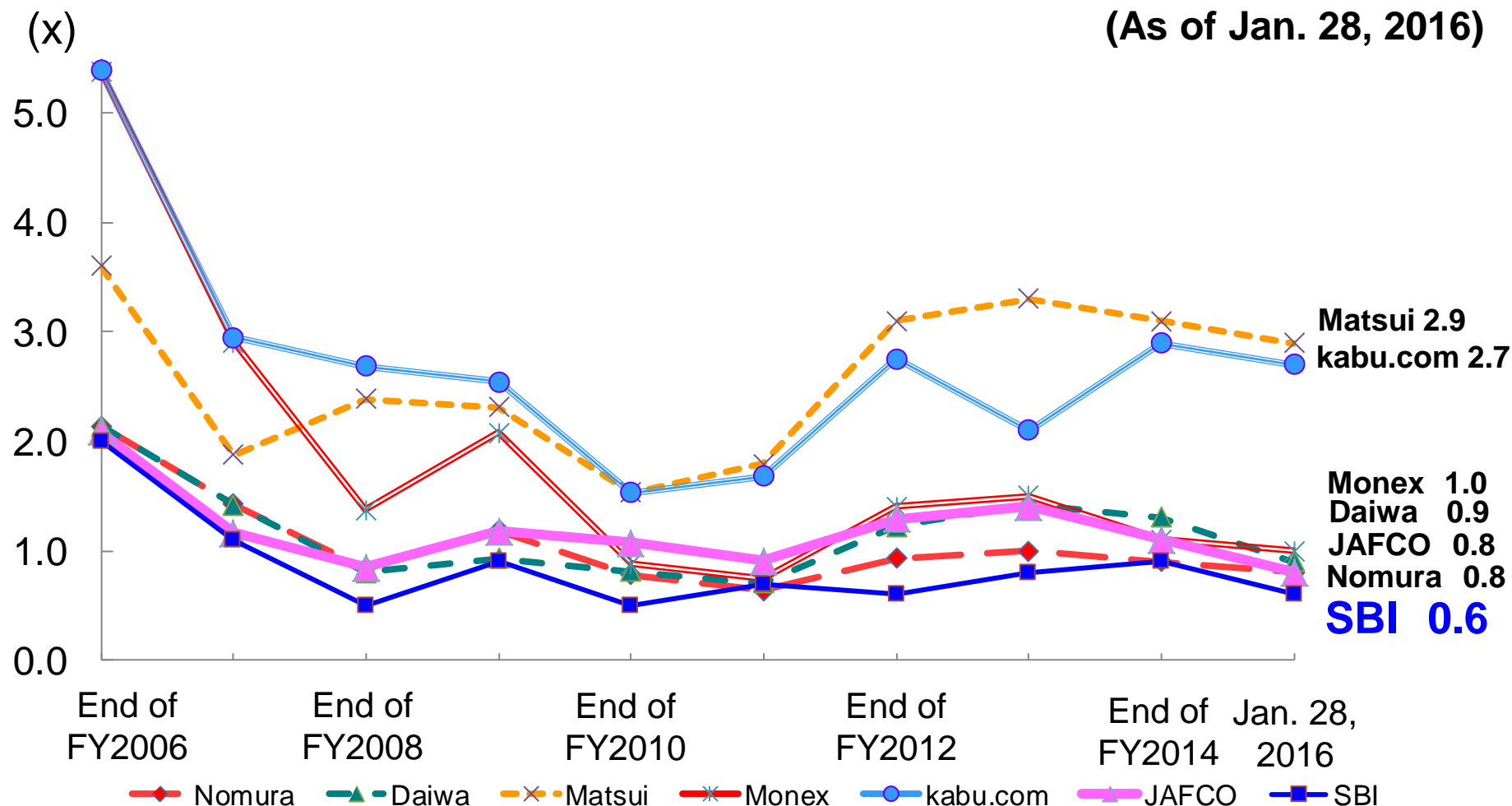
*2 EPS of 1H FY2015 (JPY 61.8) is used to calculate SBI Holdings' PER.

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

PBR Comparison with Competitors

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

(As of Jan. 28, 2016)



*PBR for Jan. 28, 2016 is calculated based on the BPS of the end of Dec. 2015. As for Nomura, uses the BPS as of Sept. 30, 2015

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

Source: Bloomberg 139

Valuation by Segment Estimated by SBI

(1) Financial Services Business ① SBI SECURITIES -(i)

① SBI SECURITIES

Valuation is conservatively estimated at JPY **334.5bn**

(based on the closing prices of Jan. 28, 2016)

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, Matsui Securities.

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

Matsui's PER (*1) × SBI SECURITIES's Net Income (FY2014) ... (A)

Matsui's PBR (*2) × SBI SECURITIES's Net Asset (*3) (as of Dec. 31, 2015) ... (B)

*1 PER of Matsui is calculated by its net income per share for FY2014.

*2 PBR of Matsui is calculated by its BPS as of Dec. 31, 2015.

*3 Represents SBI SECURITIES' balance of net asset excluding short-term loans receivable from SBIH

Valuation by Segment Estimated by SBI

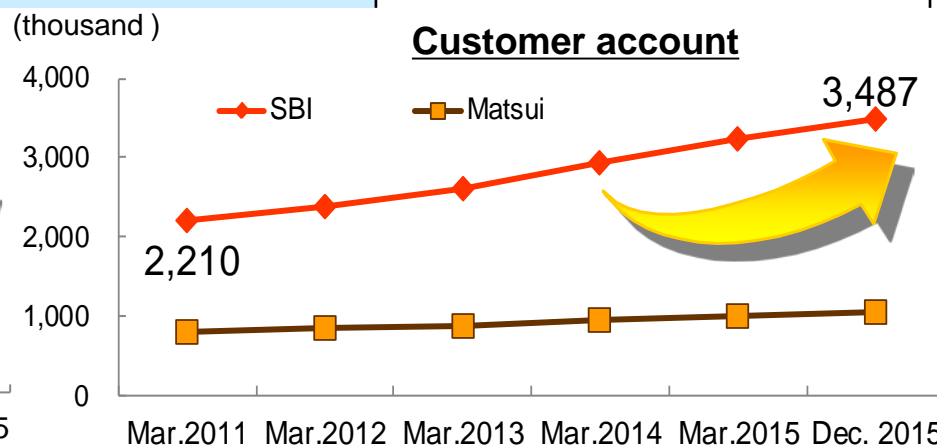
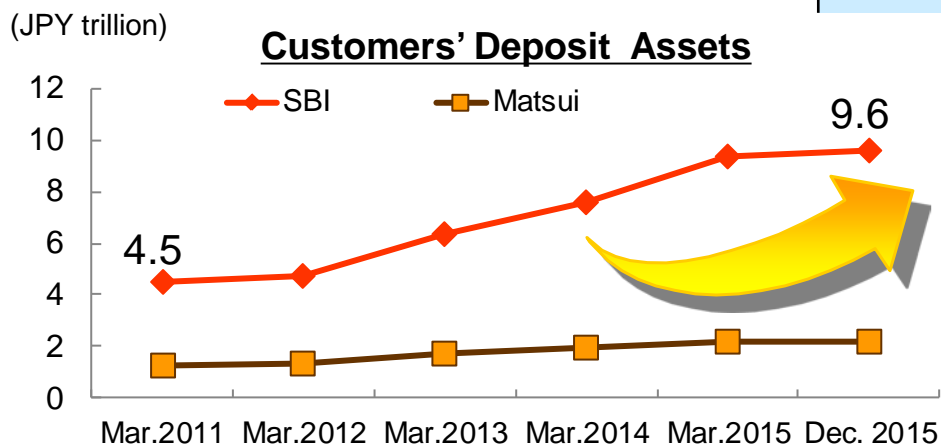
(1) Financial Services Business ① SBI SECURITIES -(ii)

Is SBI SECURITIES' valuation reasonable?

Comparison of SBI SECURITIES Matsui Securities

*Calculated by the closing prices of Jan. 28, 2016

| (9M FY2015) | SBI SECURITIES | Matsui Securities |
|--|-----------------------------------|-----------------------------|
| Valuation (market cap) * | JPY 334.5bn | JPY 269.3bn |
| Deposit assets (Dec. 2015) | No.1 JPY 9.6tn | JPY 2.2tn |
| Number of accounts (As of the end of Dec. 2015) | No.1 3.49 million | 1.05 million |
| Share of individual stock brokerage trading value | No.1 41.3% | 13.5% |
| Operating income | No.1 JPY 30.2bn (up 20.9% YoY) | JPY 17.2bn (up 4.9% YoY) |



Valuation by Segment Estimated by SBI

(1) Financial Services Business ② SBI Sumishin Net Bank

② SBI Sumishin Net Bank

Estimates the valuation of SBI Sumishin Net Bank with high growth potential in terms of profitability and scale at **JPY 117.5bn** → **JPY 58.7bn** (based on the closing prices of Jan. 28, 2016)

(Shareholding of the SBI Group: 50.0%)

Estimation of the valuation is as follows:

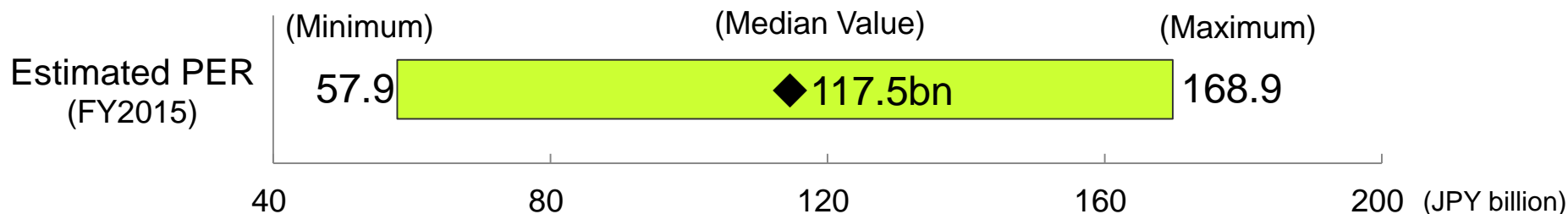
Calculated according to the **Comparable Public Company Analysis**

Compares the profits of comparable public companies of which the deposit balance exceeds JPY 3tn as of the end of Mar. 2015

Median value of estimated PERs of listed local banks of which the deposit balance exceeds JPY 3tn (*) × SBI Sumishin Net Bank's Net Income (FY2014)

* Compiled by the Company from the materials disclosed by the listed local banks of which the deposit balance exceeds JPY 3tn as of the end of Mar. 2015

[Reference] Valuation distribution based on the abovementioned pro forma calculation



Valuation by Segment Estimated by SBI

(1) Financial Services Business ③ SBI Liquidity Market

③ SBI Liquidity Market (including SBI FXTRADE)

Valuation is estimated at **JPY 41.3bn** (based on the closing price of Jan. 28, 2016)

Estimation of the valuation is as follows:

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

Compares the market cap and profits of comparable public companies, namely Money Partners, MONEY SQUARE JAPAN and INVAST Securities

{(Money Partner's PER + MONEY SQUARE JAPAN's PER

+ INVAST Securities' PER)}(*)

× Net Income of SBI Liquidity Market (cons.) (FY2014)

3

* PER of Money Partners, MONEY SQUARE JAPAN and INVAST Securities is calculated by its net income per share for FY2014.

<Reference> Acquisition of CyberAgent FX by Yahoo Japan (Jan. 31, 2013)

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

| CyberAgent FX (FY2011) | | SBI Liquidity Market (FY2014) |
|------------------------|-------------------|-------------------------------|
| JPY 8,498m | Operating revenue | JPY 12,885m |
| JPY 4,021m | Operating income | JPY 3,114m |
| JPY 2,289m | Net income | JPY 1,947m |
| JPY 9,067m | Net assets | JPY 6,023m |

Operating income before allocation to SBI SECURITIES was JPY 11,096m

Valuation by Segment Estimated by SBI

(1) Financial Services Business ④ SBI Japannext

④ SBI Japannext

Estimates the valuation of SBI Japannext at JPY 26.1bn

→ JPY 13.8bn (based on the closing prices of Jan. 28, 2016)

(Shareholding of the SBI Group: 52.8%)

Estimation of the valuation is as follows:

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

Compares the profit of a comparable public company, namely Japan Exchange Group

Japan Exchange Group's PER (*) × SBI Japannext's estimated net income (FY2015)

* PER of Japan Exchange Group is calculated by the estimated net income per share for FY2015.

Valuation by Segment Estimated by SBI

(1) Financial Services Business

⑤ SBIH Comparison Website Business / ⑥ Other Financial Services Business

⑤ SBIH Comparison Website Business

Valuation is estimated at **JPY 24.4bn** (based on the closing price of Jan. 28, 2016)

Estimation of the valuation is as follows:

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

Compares the profits of comparable public companies, namely Kakaku.com

$$\frac{\{(\text{Kakaku.com's PER} + \text{NEWTON FINANCIAL CONSULTING' PER})\}^{(*)}}{2} \times \text{Provisional amount of net Income of SBIH Comparison Website Business (FY2014)}$$

* PER of Kakaku.com and NEWTON FINANCIAL CONSULTING is calculated by their estimated net income per share for FY2015.

⑥ Other listed equity method company in this business segment

| | SBI's shareholding pct. (%) | Classification | Listed market | Market cap (JPY billion) | SBI's equity interest of market cap (JPY billion) |
|---------------|-----------------------------|-------------------------|---------------|--------------------------|---|
| SOLXYZ | 26.3 | Equity method associate | JASDAQ | 6.4 | 1.5 |

(Based on the closing price of Jan. 28, 2016)

* 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

(based on the closing prices of Jan. 28, 2016)

Upon comparison with similar listed companies calculated conservatively as **JPY 334.5bn**

② SBI Sumishin Net Bank

(based on the closing prices of Jan. 28, 2016)

Estimated the valuation of SBI Sumishin Net Bank that has high growth potential in terms of profitability and scale at JPY 117.5bn → **JPY 58.7bn** (Shareholding of the SBI Group: 50.0%)

③ SBI Liquidity Market (cons.)

(based on the closing prices of Jan. 28, 2016)

Upon comparison with similar listed companies calculated as **JPY 41.3bn**

④ SBI Japannext

(based on the closing prices of Jan. 28, 2016)

Upon comparison with similar listed companies estimated the valuation at JPY 26.1bn → **JPY 13.8bn** (Shareholding of the SBI Group: 52.8%)

⑤ SBI Comparison Website Business

(based on the closing prices of Jan. 28, 2016)

Upon comparison with similar listed companies calculated as **JPY 24.4bn**

⑥ Total market cap upon SBIH's shareholding of a listed equity method company in this segment

The market cap of SOLXYZ (Shareholding of the SBI Group) **JPY 1.5bn**
(based on the closing prices of Jan. 28, 2016)

Total of the valuation above: JPY 474.3bn (The sum according to the SBI Group's shareholding)

Valuation by Segment Estimated by SBIH

(1) Financial Services Business

⑦ Other Financial Services Businesses (Profitable Entities)

There are many other profitable business entities in this segment

| | Business lineup | Profit before income tax expense for FY2014 (JPY billion) | SBI's shareholding pct. (%) |
|-----------------------|--|---|-----------------------------------|
| SBI MONEY PLAZA | Insurance agency, financial instruments intermediary service provider, housing loan agency | 1.5 | 100.0 |
| SBI Life Insurance *1 | Life insurance | 1.2 | 100.0 |
| SBI Benefit Systems | Operational management of defined-contribution pension | 0.2 | 87.0 |

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 or strength of synergies with one of the three core businesses



Proceeds generated may be appropriated to strengthen the three core businesses

*1 Considering the particularity of life insurance business, presents the income before income tax based on J-GAAP, not that based on IFRS.

*2 SBI's shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group. 147

Valuation by Segment Estimated by SBIH

(2) Asset Management Business

① Valuation Measuring Method

Asset Management Business

Valuation for this segment is conservatively estimated at approx. JPY 190.3bn

<Reference>

JAFCO's Market Cap: **JPY 180.9bn** (based on the closing price of Jan. 28, 2016)

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

(i) Value of holding securities (at the end of Dec. 2015) Approx. JPY 84.6bn

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 Jan. 28, 2016)

(* Valuation excluding assets such as securities hold) Approx. JPY 9.7bn

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 × JAFCO's PER (*)

*PER of JAFCO is calculated by the estimated net income per share for FY2015.

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) Asset Management Business -②

(iii) Value of SBI Savings Bank (based on the closing price of Jan. 28, 2016)

Estimates the valuation of SBI Savings Bank at JPY 77.9bn

→ JPY 77.1bn

(Shareholding of the SBI Group: 99.0%)

Estimation of the valuation is as follows:

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

Compares the asset sizes of comparable public companies, including savings banks and local banks in Korea

**Median value of PBR of listed savings banks and
local banks in Korea^{*1}**

×

**Balance of SBI Savings Bank's
substantive equity^{*2}
(As of the end of Dec. 2015)**

^{*1} PBR of listed savings banks and local banks in Korea is calculated by recent equity per share

^{*2} Balance of substantive equity is the SBI Savings Bank's equity considering goodwill

^{*3} 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

(2) Asset Management Business- ③

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

| | SBI's share-holding pct. (%) | Classification | Listed market | Market cap (JPY billion) | SBI's equity interest of market cap (JPY billion) |
|--|------------------------------|-------------------------|---------------|--------------------------|---|
| Morningstar Japan | 49.7 | Consolidated subsidiary | JASDAQ | 24.4 | 12.1 |
| SBI AXES | 42.8 | Consolidated subsidiary | KOSDAQ of KRX | 7.4* | 3.2 |
| SBI Investment KOREA | 43.9 | Equity method associate | KOSDAQ of KRX | 8.1* | 3.5 |
| Sum of the market cap of listed subsidiaries and equity method associates | | | | 39.9 | <u>18.8</u> |

(Based on the closing price of Jan. 28, 2016. *Calculated by the exchange rate as of Jan. 28, 2016.)

[Other profitable businesses of the Asset Management Business that are not included in the above valuation]

| | | Business lineup | Profit before income tax expense for FY2014 (JPY billion) | SBI's shareholding pct. (%) |
|-----------------------------------|--------------------------|---------------------------|---|-----------------------------|
| Phnom Penh Commercial Bank | Overseas Business | Commercial Bank | 0.3 | 47.6 |
| CEM Corporation | | Real estate secured loans | 0.5 | 79.7 |

* 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

Biotechnology-related Business


Each bioventure 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 71.5bn

① SBI Pharmaceuticals

Estimation of the valuation is as follows:

Market value at the point of partial transference of former SBI ALApromo's shares × Number of shares issued × SBIH's equity interest (excluding external holdings)

 Based on SBIH's equity interest (excluding external holdings) as of the end of Dec. 2015, the amount is calculated to be approx. JPY 49.2bn

Besides, the total shareholder value of this 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.

② Other companies in the Biotechnology-related Business

SBI Biotech (SBI's shareholding percentage*: 39.2%)

Considering future strategies, which includes an IPO and M&A on the premise of strategic alliance

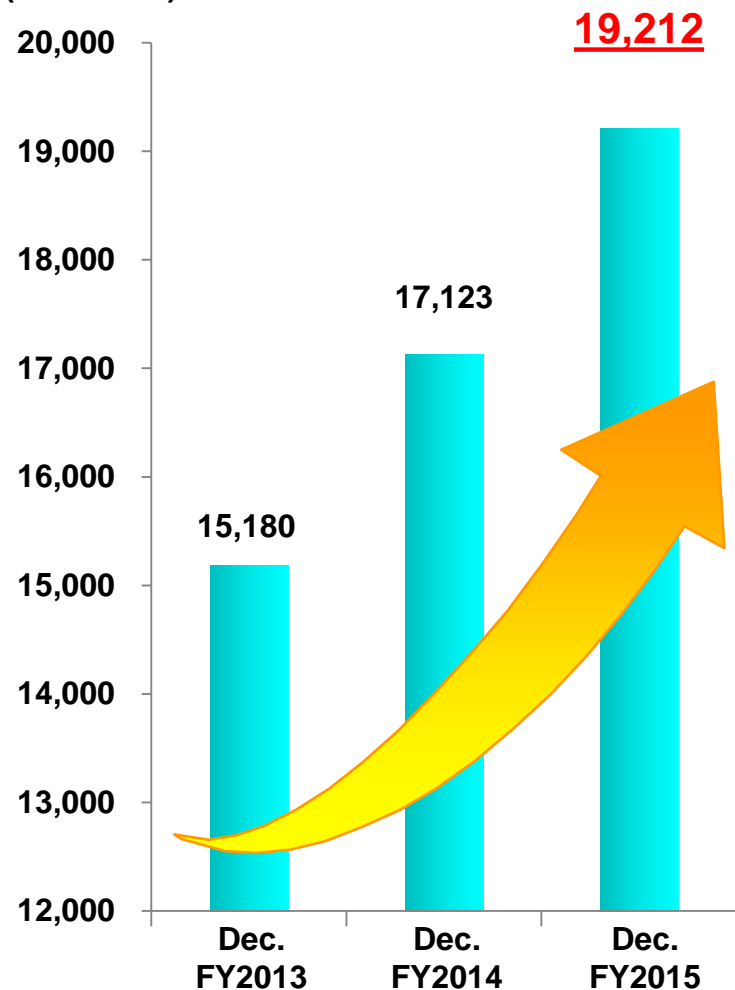
* SBI's shareholding percentage corresponds to a figure based on the IFRS criteria that excludes a percentage of outside shareholder's interest of subsidiary companies and subsidiary funds of the Group.

[Reference]

The SBI Group's Customer Base

Breakdown of the Customer Base (As of the end of Dec. 2015)^{*1,2}

(Thousand)



(Thousand)

| | | |
|-------------------------|--|---------------|
| SBI SECURITIES | (No. of accounts) | 3,487 |
| SBIH InsWeb | (No. of customers) | 7,544 |
| E-LOAN | (No. of customers) | 1,905 |
| MoneyLook | (Total no. of customer registrations) | 928 |
| Morningstar Japan | (New portfolio customer registrations) | 145 |
| SBI Card | (Valid cards issued) | 69 |
| SBI Sumishin Net Bank | (No. of accounts) | 2,522 |
| SBI Insurance | (Total no. of contracts) ^{*3} | 815 |
| SBI Life Insurance | (Total no. of contracts) | 111 |
| Autoc one | (Total no. of service users in year) | 935 |
| Others (SBI Point etc.) | | 751 |
| Total | | 19,212 |

^{*1} The cases that customers who are not identified as the same person within each service website and overlapping customers among the Group companies are double counted.

^{*2} Owing to the reorganization, customer numbers of the Group companies, which were excluded from consolidation, are not included in the figures for the past customer bases.

^{*3} The total number of contracts of SBI Insurance excludes continuing contracts, expiring contracts and early-withdrawals.

Number of Companies and Consolidated Employees of the SBI Group

Number of Group companies

| | Mar. 31, 2015 | Dec. 31, 2015 |
|--|---------------|---------------|
| Consolidated subsidiaries (companies) | 142 | 146 |
| Consolidated partnerships (partnerships) | 31 | 33 |
| Total consolidated subsidiaries (companies) | 173 | 179 |
| Equity method companies (companies) | 39 | 35 |
| Total Group companies (companies) | 212 | 214 |

Number of consolidated employees

| | Mar. 31, 2015 | Dec. 31, 2015 |
|----------------------------------|---------------|---------------|
| Total employees (persons) | 6,094 | 5,347* |

* Owing to a company that was temporarily consolidated because of a buy-out fund, but was later sold, so there was a decrease of 756 employees.

Assets Under Management of the SBI Group

(As of the end of Dec. 2015)

Private equity, etc. JPY 271.8bn (Including JPY 88.5bn of both cash and commitment amount to be paid in) (*3)

| Breakdown by Industry | Amount |
|------------------------------|--------|
| IT/Internet | 27.4 |
| Biotechnology/Health/Medical | 41.9 |
| Services | 16.3 |
| Materials/Chemicals | 2.6 |
| Environmental/Energy | 20.6 |
| Retail/Food | 13.8 |
| Construction/Real estate | 1.7 |
| Machine/Automobile | 6.1 |
| Finance | 40.2 |
| Others | 12.7 |
| Total | 183.3 |

| Breakdown by region | Amount |
|---------------------|--------|
| Japan | 83.0 |
| China | 26.5 |
| Korea | 25.8 |
| Taiwan | 1.7 |
| Southeast Asia | 10.8 |
| India | 4.0 |
| U.S. | 27.8 |
| Others | 3.7 |
| Total | 183.3 |

Investment trusts, etc. JPY 275.2bn (*4)

| | |
|----------------------|-------|
| Investment trusts | 197.3 |
| Investment advisory | 73.9 |
| Investment companies | 3.9 |

*1 Calculated by the exchange rate as of the end of Dec. 2015

*2 Amounts are rounded to the nearest JPY 100m

*3 Composed of cash in funds and unpaid capital which is to be paid on a capital call.

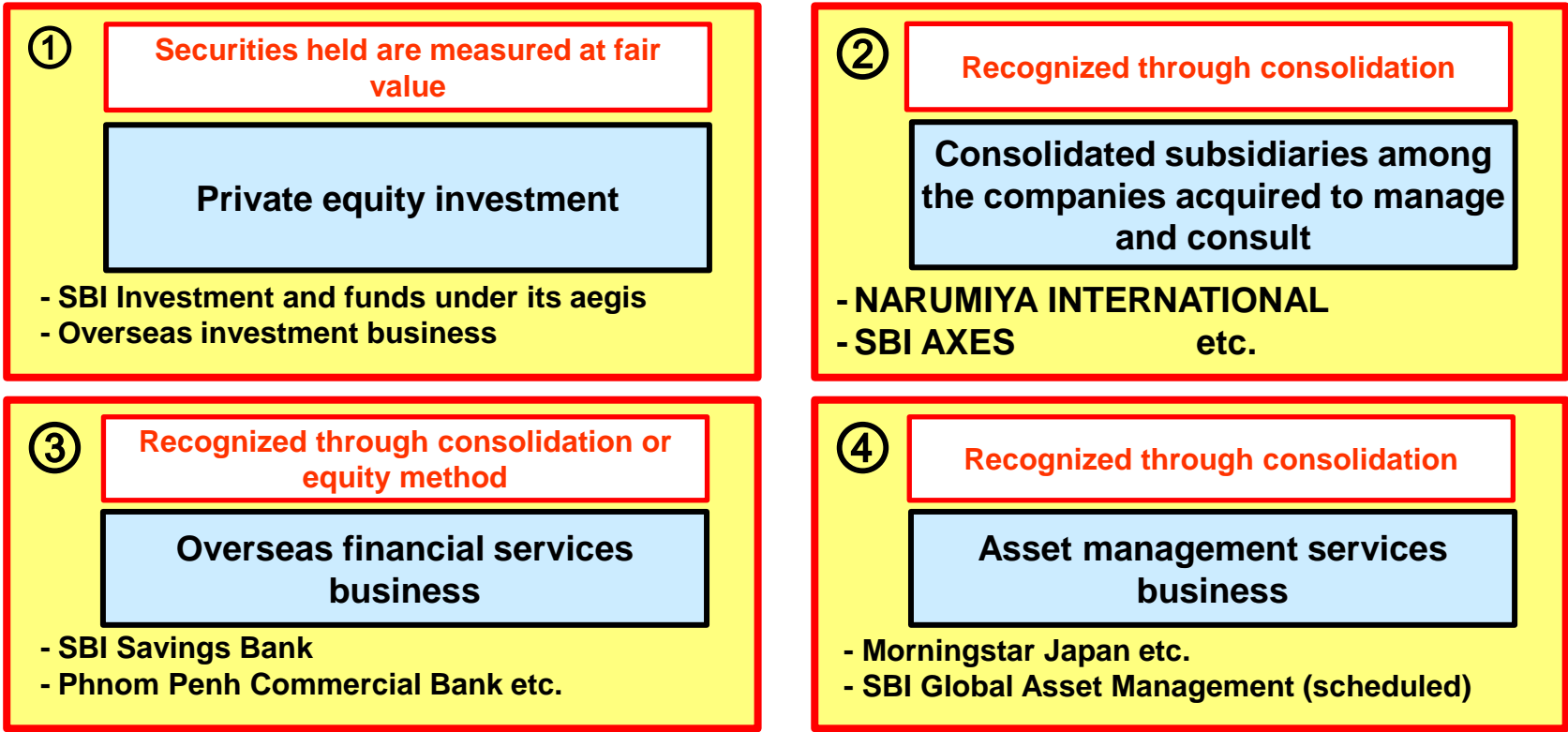
*4 For funds that SBI Asset Management provides investment instruction to, if Morningstar Asset Management provides investment advisory services, assets are recorded in both "Investment trusts" and "Investment advisory," respectively, and such overlapping amounts totaled JPY 26.5bn

Structure of the Asset Management Business

- Owing to accounting requirements, the Asset Management Business has three completely different recognitions: fair value, consolidation and equity method
- In addition, a asset management services business was newly established in FY2015

[Structure of the Asset Management Business]

SBI's Asset Management Business



Analysis of Each Segment of the Asset Management Business

-① Private equity investment-

[Consolidated statement of financial position]

(IFRS; JPY billion)

| | Mar. 31, 2015 | Dec. 31, 2015 |
|--|---------------|---------------|
| Cash and cash equivalents | 18.9 | 23.4 |
| Securities | 118.7 | 107.3 |
| Other assets | 27.4 | 13.1 |
| Total assets | 165.0 | 143.8 |
| Intragroup borrowings | 21.4 | 13.0 |
| Other liabilities | 5.9 | 2.6 |
| Total liabilities | 27.3 | 15.6 |
| Equity capital equivalent | 96.7 | 88.0 |
| Non-controlling interests* ¹ (Mainly interests of external shareholders of consolidated funds) | 41.0 | 40.2 |
| Total equity | 137.7 | 128.2 |
| Total liabilities and equity | 165.0 | 143.8 |

- Securities held, whether listed or unlisted, are assessed at fair value.
- Non-consolidated funds are assessed at fair value, and only the amount corresponding to the Company's interest is recognized.
- For this reason, the amount of non-controlling interests (outside equity interests) is small.

[Consolidated statement of income]

(IFRS; JPY billion)

| | 9M FY2014 | 9M FY2015 |
|--|---------------|--------------|
| Revenue | (3.5) | 2.3 |
| Profit / loss related to FVTPL | (6.4) | 0.2 |
| Fee from non-cons. funds* ² | 1.1 | 0.6 |
| Others (FX gain etc.) | 1.8 | 1.5 |
| Expense (including expense related to allowance etc.) | (5.1) | (4.7) |
| Profit before income tax expense | (8.6) | (2.4) |
| Profit for the period | (10.4) | (3.5) |
| Attributable to owners of SBIH | (6.4) | (3.1) |
| Non-controlling interests | (4.0) | (0.4) |

*1 External investors' shareholding in consolidated funds. External investors' shareholding in funds operated as joint ventures and classified as operational investment securities are not included. Non-controlling interests decrease accompanying payment of dividends.

*2 Only the amount of management commissions, etc. from funds classified as investment securities is recorded as income corresponding to external investors' shareholding

- Marketable securities account for approximately 40% of overall consolidation (the rest is SBI Savings Bank, SBI Life Insurance, etc.) and nearly all of the profits or losses are recognized upon the change in fair value as FVTPL.
- While promoting new investments, also realized the recovery of investments through the sales of shares, for a JPY 11.4bn balance decrease

Analysis of Each Segment of the Asset Management Business

-② Consolidated subsidiaries among the companies acquired to manage and consult-

[Consolidated statement of financial position]

(IFRS; JPY billion)

| | Mar. 31, 2015 | Dec. 31, 2015 |
|-------------------------------------|---------------|---------------|
| Cash and cash equivalents | 14.0 | 18.6 |
| Trade accounts receivable | 18.0 | 16.4 |
| Inventories (products) | 2.5 | 3.8 |
| Intangible assets | 11.4 | 9.7 |
| Other assets | 7.2 | 8.1 |
| Total assets | 53.1 | 56.6 |
| Total liabilities | 25.2 | 31.8 |
| Equity capital equivalent | 26.6 | 23.6 |
| Non-controlling interests | 1.3 | 1.2 |
| Total equity | 27.9 | 24.8 |
| Total liabilities and equity | 53.1 | 56.6 |

[Investee companies consolidated]

- NARUMIYA INTERNATIONAL(apparel company)
- SBI AXES(settlement service company)
- CEM Corporation(Real estate-secured loans)

[Consolidated statement of income]

(IFRS; JPY billion)

| | 9M FY2014 | 9M FY2015 |
|----------------------------------|-----------|-----------|
| Revenue | 18.2 | 22.9 |
| Profit before income tax expense | 0.1 | 0.8 |
| Profit for the period | (0.1) | 0.8 |
| Attributable to owners of SBIH | (0.0) | 0.2 |
| Non-controlling interests | (0.1) | 0.6 |

- Whereas even pure investees are uniformly consolidated under IFRS, there is an exclusion rule under J-GAAP.
- Although the accounting treatment under IFRS differs from J-GAAP, the impact on the Company's consolidated financial statements is insignificant.

* CEM Corporation, an operational investee company, was classified as the Real Estate Finance Business within the Financial Services Business, but was transferred to the Asset Management Business, owing to the sale of SBI Mortgage, which was the core company of the Real Estate Finance Business. The FY2014 results are adjusted retroactively, assuming that CEM Corporation was a component of the Asset Management Business from the beginning of FY2014.

Analysis of Each Segment of the Asset Management Business

-③ Overseas financial services business-

[Consolidated statement of financial position]

(IFRS; JPY billion)

| | Mar. 31, 2015 | Dec. 31, 2015 |
|-------------------------------------|---------------|---------------|
| Cash and cash equivalents | 49.5 | 40.3 |
| Trade accounts receivable | 294.9 | 311.0 |
| Intangible assets | 127.6 | 118.3 |
| Other assets | 60.2 | 62.7 |
| Total assets | 532.2 | 532.3 |
| Customer deposits | 361.1 | 371.1 |
| Other liabilities | 45.5 | 9.5 |
| Total liabilities | 406.6 | 380.6 |
| Equity capital equivalent | 124.6 | 150.8 |
| Non-controlling interests | 1.0 | 0.9 |
| Total equity | 125.6 | 151.7 |
| Total liabilities and equity | 532.2 | 532.3 |

- SBI Savings Bank (Korea), SBI Royal Securities (Cambodia) are consolidated
- Profit/loss of Phnom Penh Commercial Bank (Cambodia), SBI Thai Online Securities (Thailand), YAR Bank (Russia), etc. are recognized through equity method

[Consolidated statement of income]

(IFRS; JPY billion)

| | 9M FY2014 | 9M FY2015 |
|----------------------------------|-----------|-----------|
| Revenue | 29.9 | 32.0 |
| Profit before income tax expense | 10.3 | 3.4 |
| Profit for the period | 10.3 | 3.9 |
| Attributable to owners of SBIH | 9.3 | 3.8 |
| Non-controlling interests | 1.0 | 0.1 |

- The results of SBI Savings Bank (Korea) are primarily reflected in the financial statements.
- Net interest income, which reflects the earnings of the loan business, equivalent to the difference between interest income from operational loan receivables and interest cost for the customer deposits, resulted JPY 18.4bn (increase of 28.0% YoY) for 9M FY2015, steadily strengthening of the revenue base.

Analysis of Each Segment of the Asset Management Business

-④ Asset management services business-

[Consolidated statement of financial position]

(IFRS; JPY billion)

| | Mar. 31, 2015 | Dec. 31, 2015 |
|-------------------------------------|---------------|---------------|
| Cash and cash equivalents | 6.6 | 7.3 |
| Financial assets | 1.2 | 0.8 |
| Intangible assets | 4.1 | 4.1 |
| Other assets | 0.3 | 0.7 |
| Total assets | 12.2 | 12.9 |
| Total liabilities | 0.7 | 0.6 |
| Equity capital equivalent | 7.5 | 8.2 |
| Non-controlling interests | 4.0 | 4.1 |
| Total equity | 11.5 | 12.3 |
| Total liabilities and equity | 12.2 | 12.9 |

- Morningstar Japan and its subsidiaries are the main constituent companies
- Planning the establishment of SBI Global Asset Management (tentative name) as an intermediate holding company of the business

[Consolidated statement of income]

(IFRS; JPY billion)

| | 9M FY2014 | 9M FY2015 |
|----------------------------------|-----------|-----------|
| Revenue | 2.5 | 3.0 |
| Profit before income tax expense | 0.8 | 1.0 |
| Profit for the period | 0.5 | 0.7 |
| Attributable to owners of SBIH | 0.2 | 0.3 |
| Non-controlling interests | 0.3 | 0.4 |

- The results of Morningstar Japan are primarily reflected in the financial statements.
- With the establishment of SBI Global Asset Management (tentative name), the Group's asset management operations are expected to be strengthened

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