



*Strategic
Business
Innovator*

- Daiwa Investment Conference Tokyo 2016 -

**SBI Holdings' Fundamental Business
Building Concepts, and the New Challenges for the
Company that has Entered a Rapid Growth Stage**

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**Representative Director, President & CEO
SBI Holdings, Inc.**

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

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

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

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

- I. SBI Holdings' Fundamental Business Building Concepts to Achieve Sustainable Growth**
- II. New Challenges for the SBI Group that has Entered a Rapid Growth Stage**

I. SBI Holdings' Fundamental Business Building Concepts to Achieve Sustainable Growth

- 1. The SBI Group's Corporate Mission and Profile**
- 2. The SBI Group's Fundamental Business Building Concepts**

1. The SBI Group's Profile

SBI Holdings' Comparison to Its Time of Establishment

(Established on July 8, 1999)

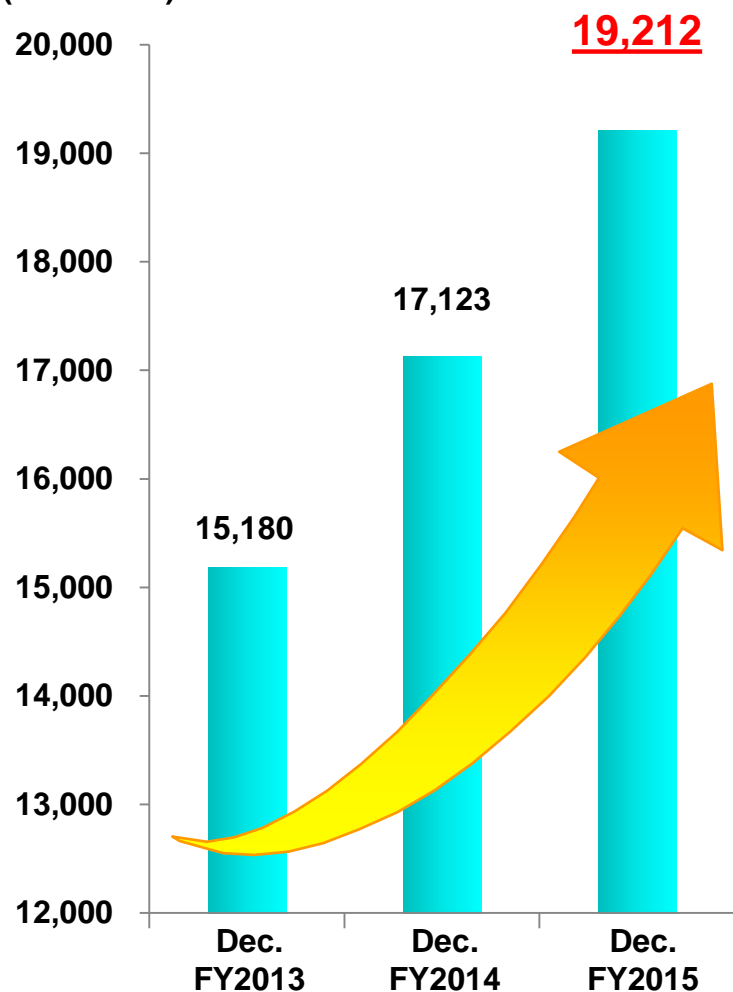
	Establishment 1999	End of Dec. 2015
Employees (cons.)	55	5,347
Operating revenues (cons.)	0	JPY 179.2bn (9M FY2015) Peak time (FY2014): JPY 245.0bn
Consolidated subsidiaries	0	146
Publicly owned companies	0	5 (including SBIH) Peak time (FY2007): 11
Capital	JPY 50m	JPY 81.7bn
Net assets	JPY 50m	JPY 419.0bn

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.

Principal SBI Group Companies



Financial Services Business



[Intermediate Holding Company]

SBI証券 (SBI SECURITIES) [Comprehensive Online securities]	SBI Japannext [Proprietary trading system]
SBI Sumishin Net Bank [Internet bank]	SBI Liquidity Market [Provision of market infrastructure to FX trading]
SBI Insurance [Internet nonlife insurance]	SBI FXTRADE [Pure-play FX broker]
SBI 生命 (SBI Life Insurance) [Life insurance]	SBI マネープラザ (SBI MONEY PLAZA) [Operation of "Face-to-face" shops]

A diversified line of financial services

Asset Management Business



[Intermediate Holding Company]

SBI Investment [Venture capital fund management]
SBI Ven Capital Pte. Ltd. [Singaporean subsidiary]

Overseas bases, GP of overseas funds, Overseas financial institutions, Investee companies

Venture capital, Overseas financial services businesses

SBI Global Asset Management

[Intermediate Holding Company]

MORNINGSTAR [Investment trusts ratings]
MORNINGSTAR ASSET MANAGEMENT [Investment advisory]
SBI Asset Management [Investment advisory]

The Group's asset management

Biotechnology-related Business

SBI ALA Hong Kong

[Intermediate Holding Company]

SBI Pharma [Intermediate Holding Company] [Development of 5-ALA-related products (pharmaceutical business)]
SBI ALApromo [Sales of 5-ALA-related products]
SBI Biotech [R&D of pharmaceuticals]

Investee companies

Development, manufacturing and sales of pharmaceuticals, health foods and cosmetics

2. The SBI Group's Fundamental Business Building Concepts

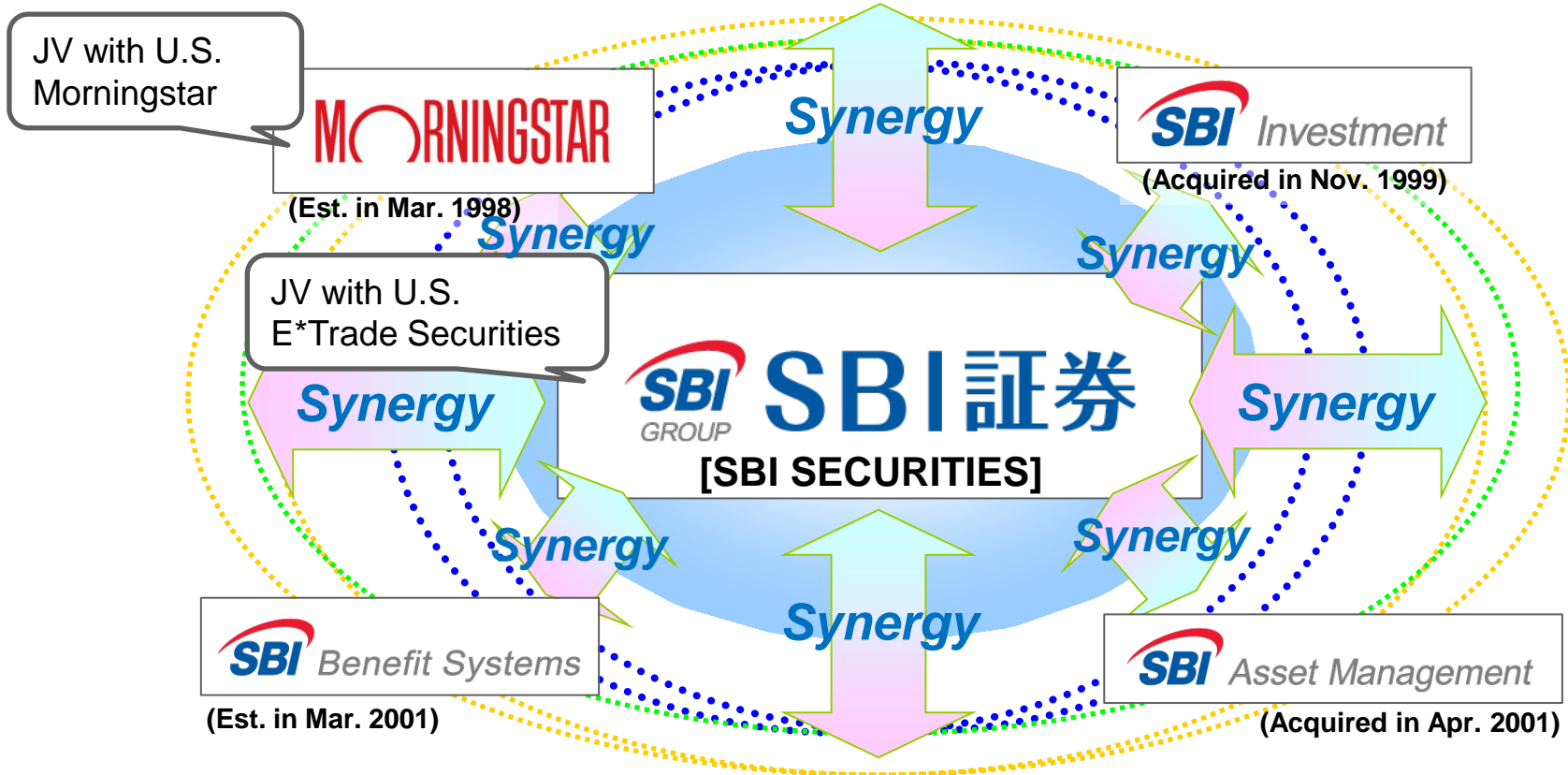
- **Formation of a “Business Ecosystem” that extends across various industries, and a thorough pursuit of synergies within the Group**
- **Through the Group companies' creation of synergy and mutual evolution, effectuate differentiation from competitors through competitive advantages**
- **Develop a business portfolio with sustainable growth that breaks away from a dependence on the stock market**



Actualize dramatic growth in various business fields

1st Stage:

Toward the Establishment of an Internet Financial Ecosystem, Initially Established the Securities Business with the Various Essential Supporting Businesses. Also, Invested into U.S. Internet Financial Companies, as well as Establishing Joint Ventures with Those Companies

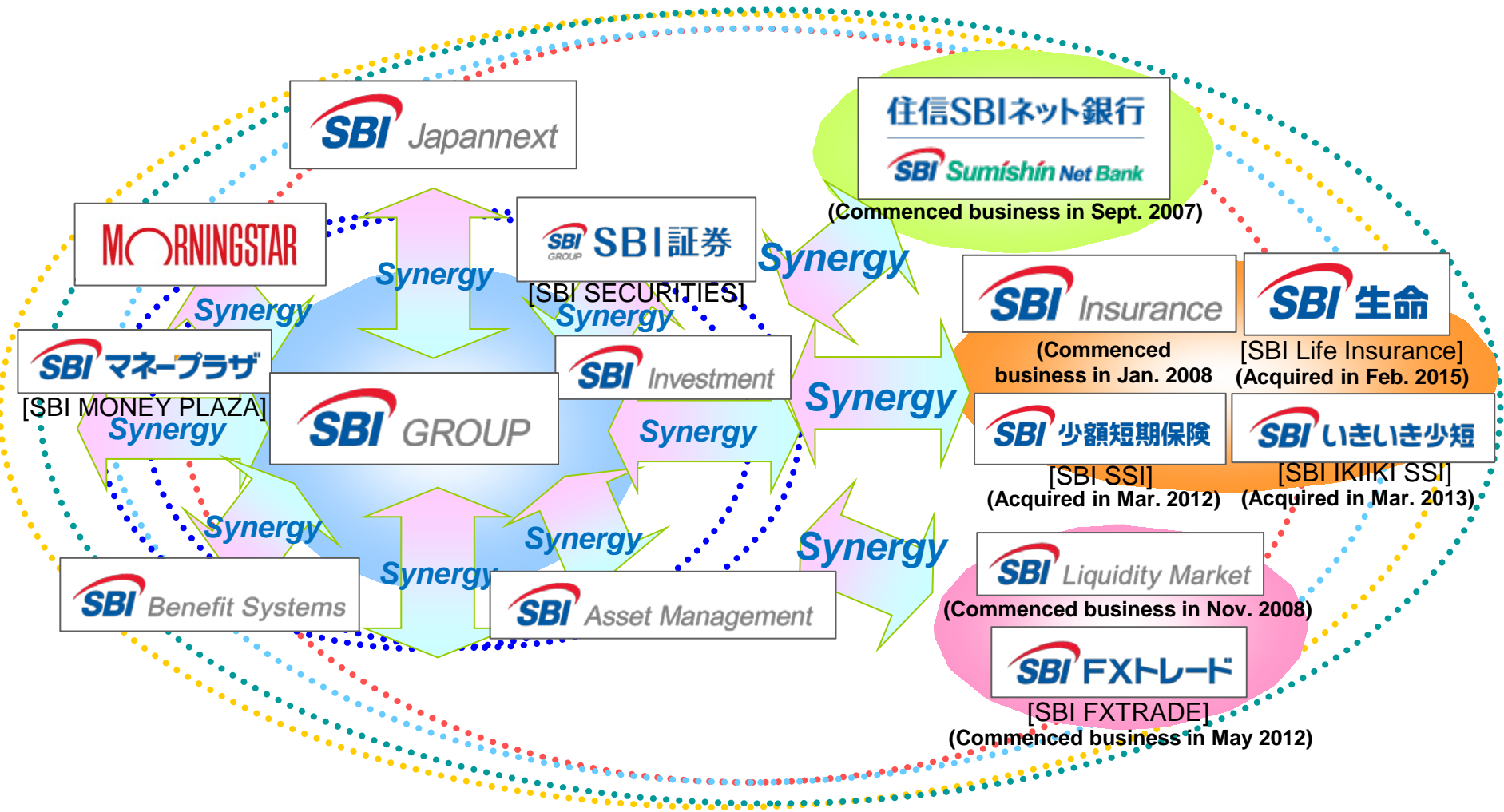


Furthermore, established E-LOAN and InsWeb through JVs with U.S. companies

Starting with the securities business, established various Internet financial businesses, in order to form a comprehensive Internet financial ecosystem

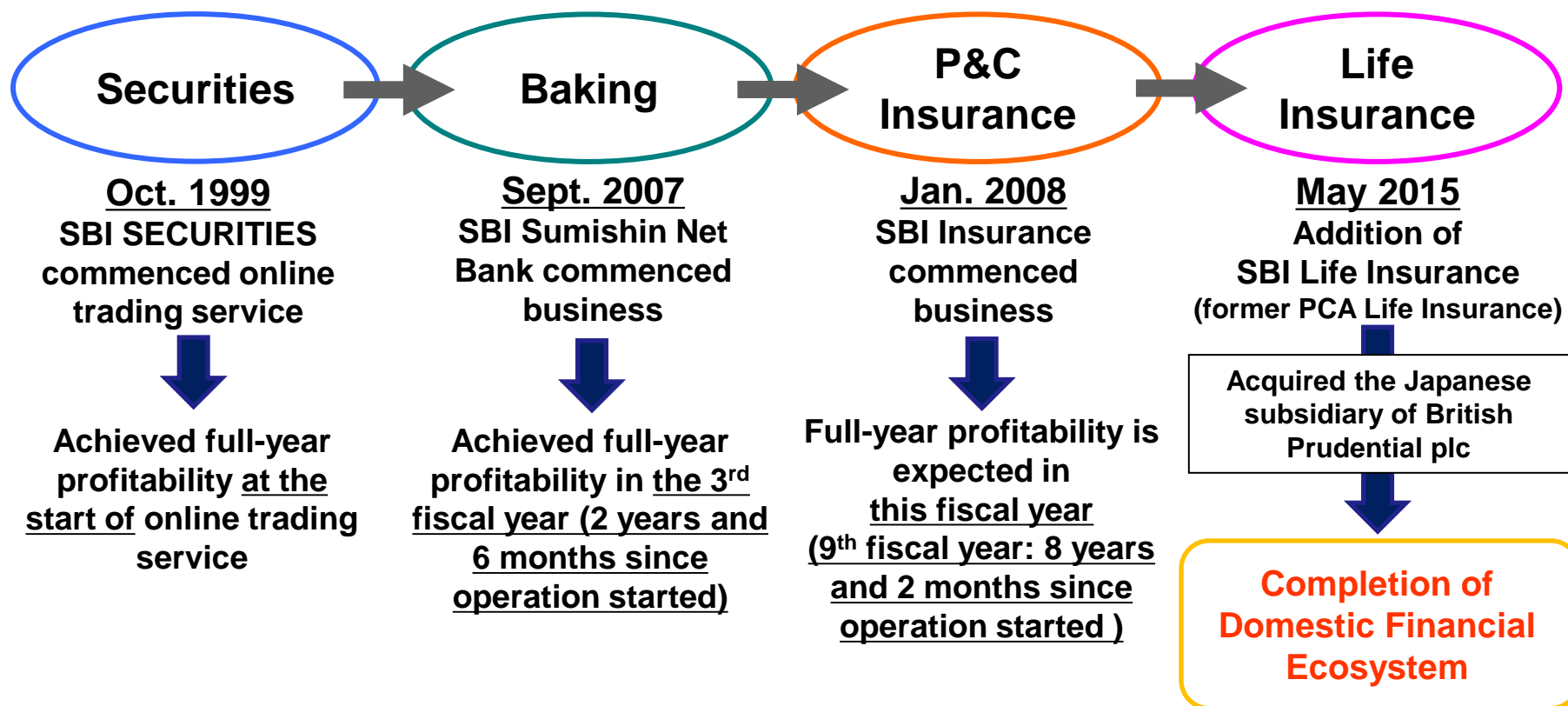
2nd Stage:

By Establishing Other More Diversified Financial Businesses, such as Banking and Insurance, the Internet Financial Ecosystem was Completed, Leading to an Exit from a Dependence on the Stock Markets



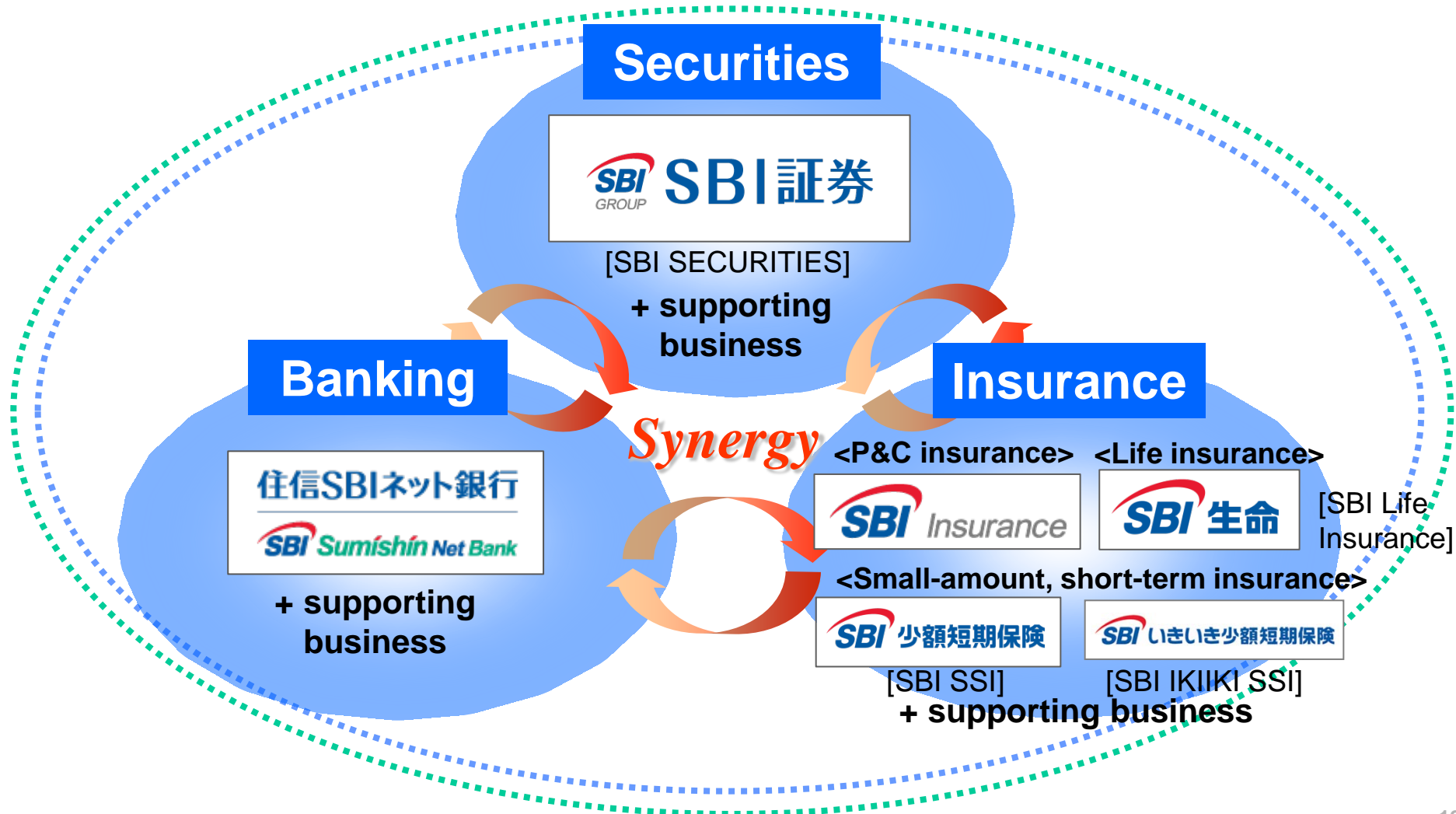
With the Securities Business as a Core, Expanded the Group's Business Domain into Various Financial Sectors

Sequentially established businesses from those that have high affinity with securities business

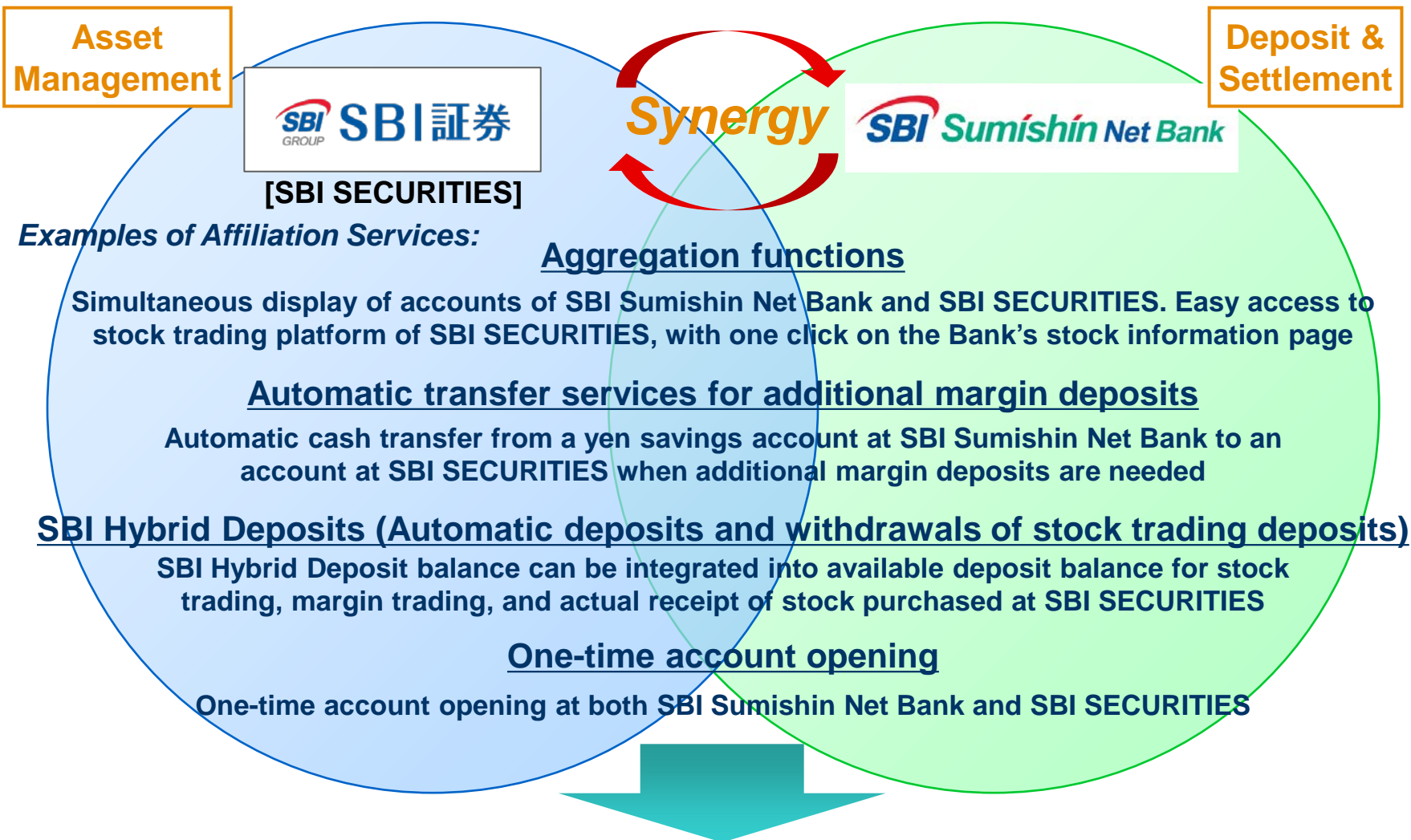


3rd Stage:

With Securities, Banking and Insurance as the Three Core Businesses that Mutually Exert Synergistic Effects through Mutual Evolution, a Differentiation from Its Competitors will be Effectuated by the Establishment of a System that Embodies Competitive Advantages



Example of Synergy and Mutual Evolution at SBI SECURITIES and SBI Sumishin Net Bank

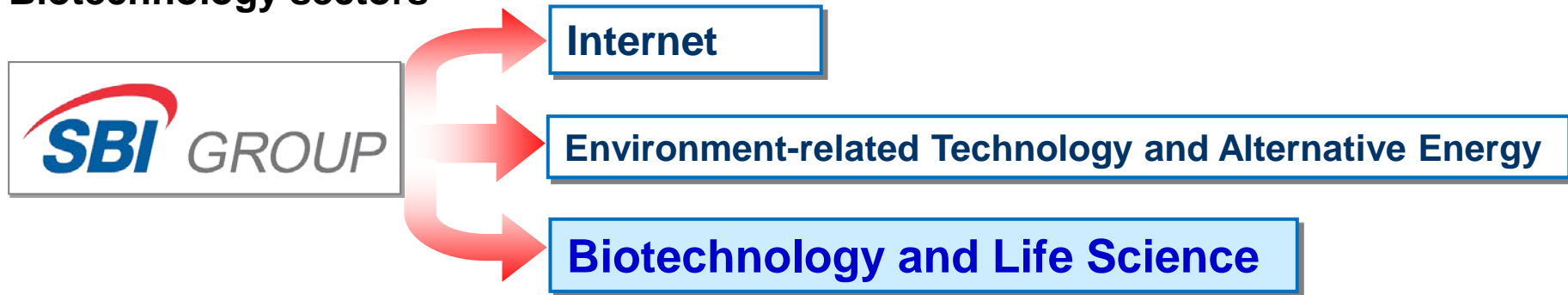


Solid customer base of SBI SECURITIES contributes to an increase in the number of accounts and deposit amount at SBI Sumishin Net Bank

4th Stage:

A Decision was Made to Add the Biotechnology-related Business, which is One of the New Growth Sectors of the 21st Century, to the Group's Business Portfolio, Initially Starting with a Focus on Bio-venture Investments

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



[Recent major bio-venture investee companies]

① [euglena Co., Ltd.](#)

A bio-venture company that researches, develops, produces and markets microalgae, with a strong focus on euglena

② [ReproCELL Inc.](#)

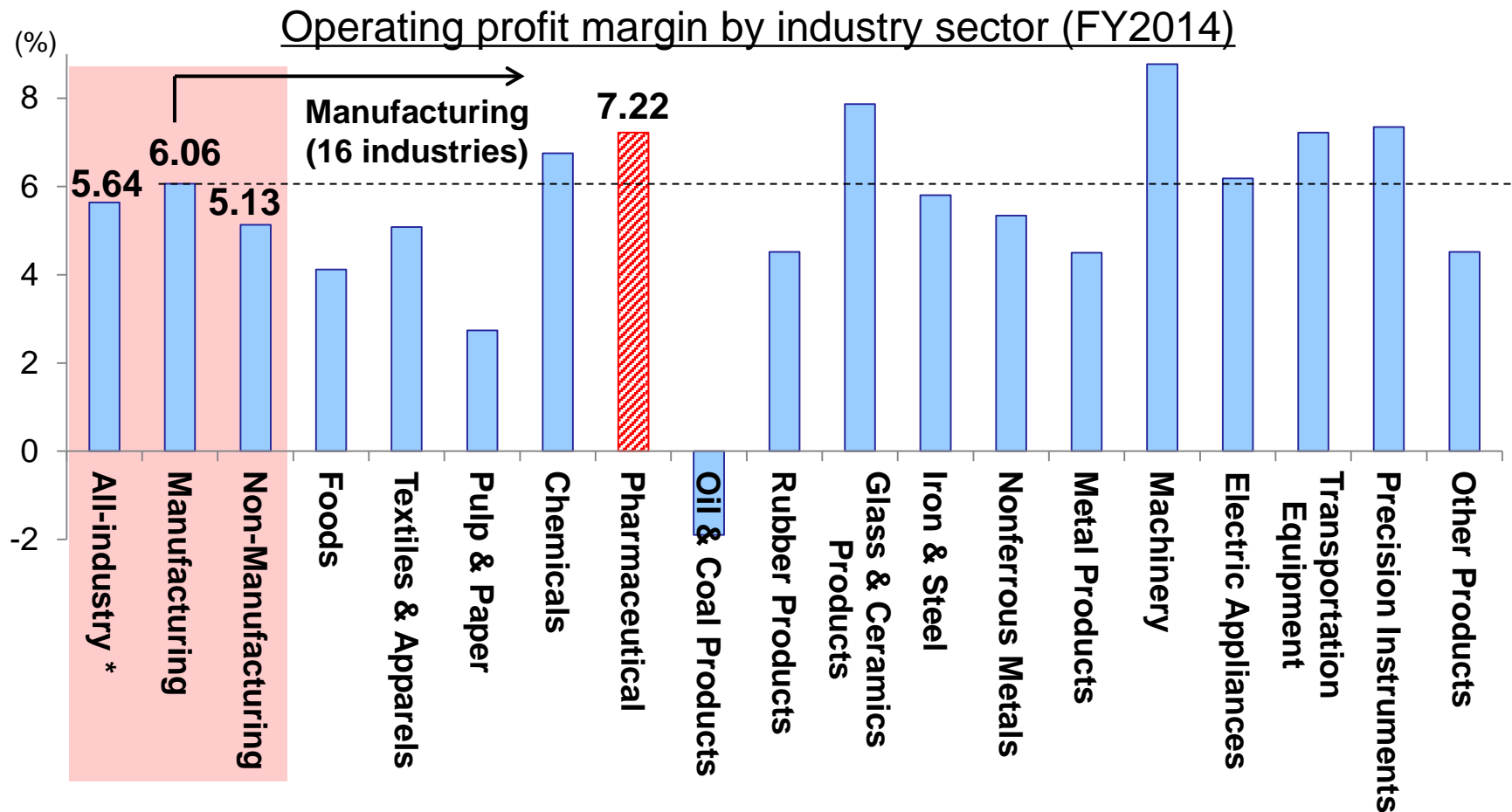
Japan's first venture company involved with iPS cells

③ [Acucela Inc. \(U.S.\)](#)

A clinical-stage biotechnology company that specializes in discovering and developing novel therapeutics to treat and slow the progression of sight-threatening ophthalmic diseases impacting millions of individuals worldwide

The Pharmaceutical Business is a Defensive Sector Business with a Lower Correlation to Economic Trends, but with Higher Profit Margin Expectations

Among the 16 industry sectors of Manufacturing, operating profit margin for Pharmaceuticals is at a high level of 7.22%



* The aggregated number of all industries is 2,158 companies, which excludes 156 companies belonging to the financial business

Source: JAPAN EXCHANGE GROUP "Summary of Earnings Digests by Listed Companies"

SBI Itself Entered the Biotechnology-related Business through the Establishment of Subsidiaries, to Effectuate Continued Stable Sustainable Growth

Jan. 2007~

Enters drug creation business



Joint drug creation bio- venture firm with partners across Japan, the U.S., China, South Korea and Israel

Apr. 2008~

5-ALA (5-aminolevulinic acid) related businesses



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



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

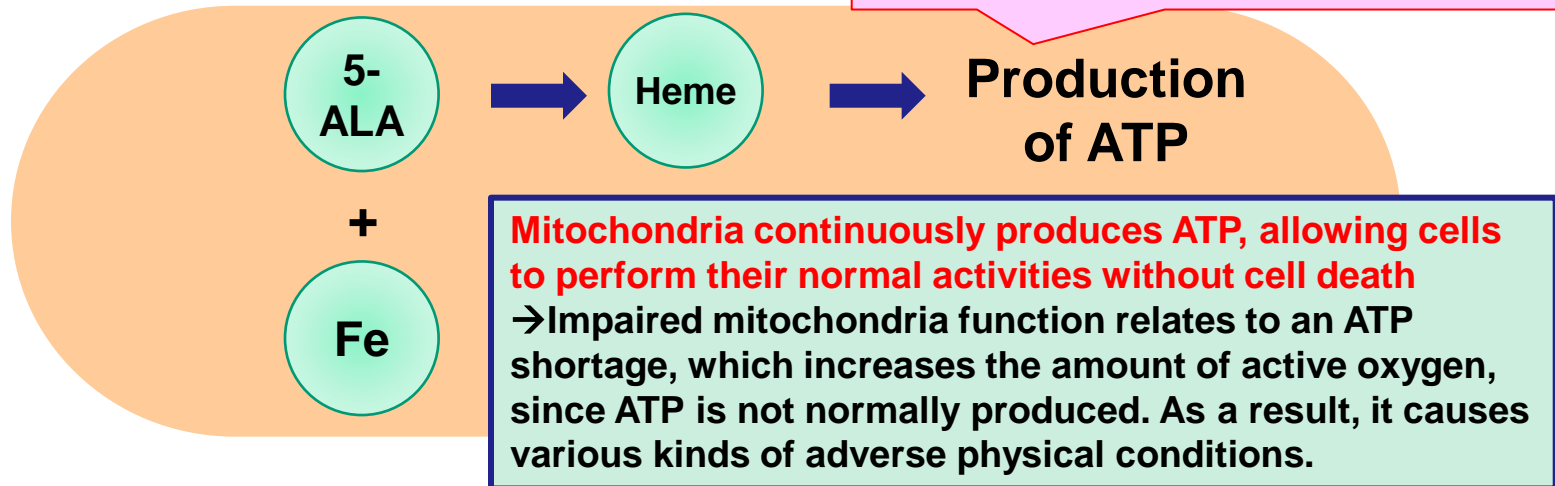
Clinical studies and trials with leading alliance partners both inside and outside of Japan have progressed. SBI Pharmaceuticals endeavors to provide pharmaceuticals that will satisfy the unmet medical needs of as many people as possible around the world.

The Principal Component ALA that the SBI Group is Advocating, has a Wide Range of Applications in Medical Drugs, Health Foods and Cosmetics

5-ALA = chemical name : “5-Amino Levulinic Acid”

5-ALA and energy generation in mitochondria

ATP(Adenosine Triphosphate):
A common energy source for all organisms

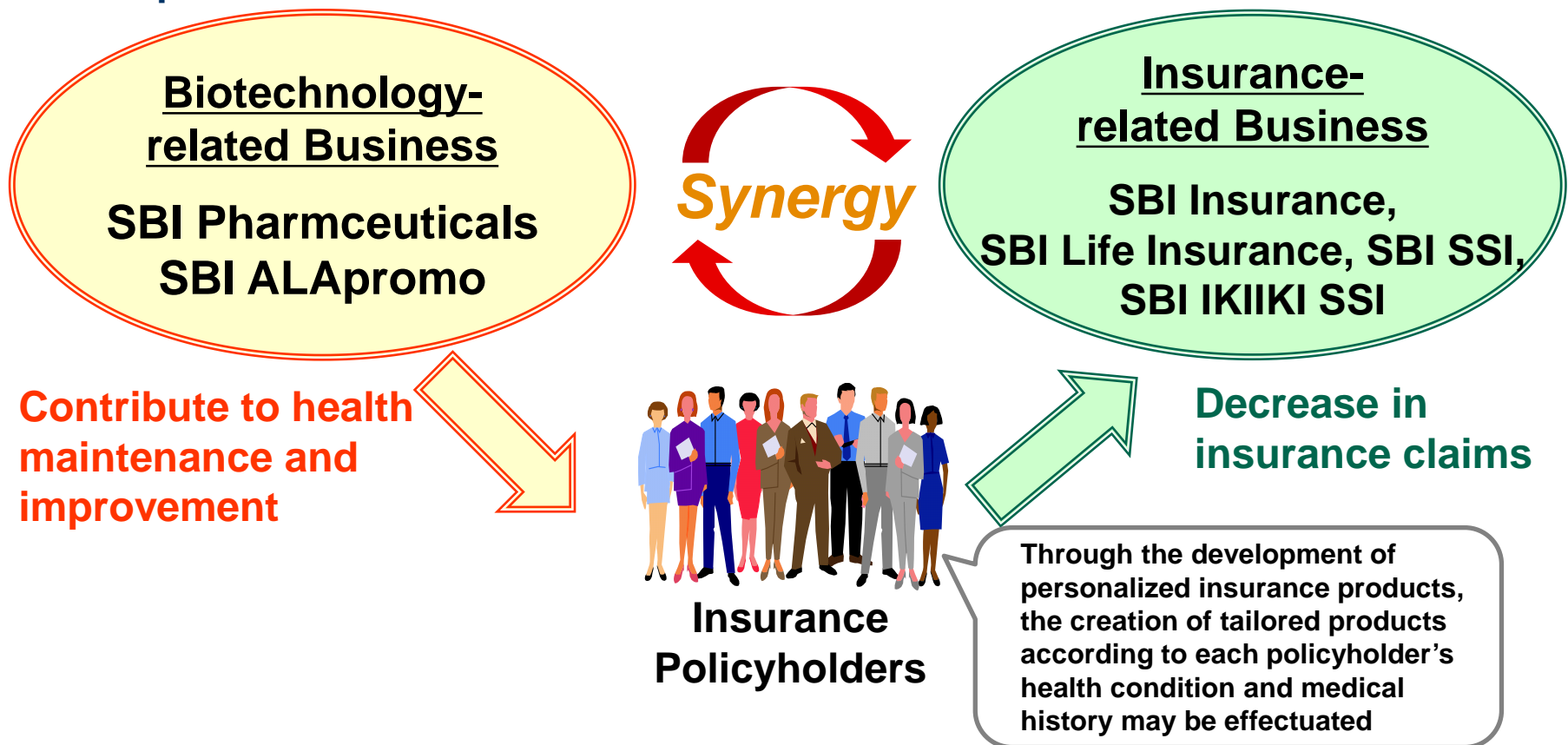


5-ALA, a natural amino acid, is contained in all organisms. It is a precursor of heme, which is very important for energy production, and a fundamental substance of life

With reference to 5-ALA, while basic research on drugs to cure various diseases are proceeding, it is also being utilized in health foods and cosmetics. Also, with the elucidation of the physiological functions of 5-ALA, it is gaining attention for applications in a wide range of areas

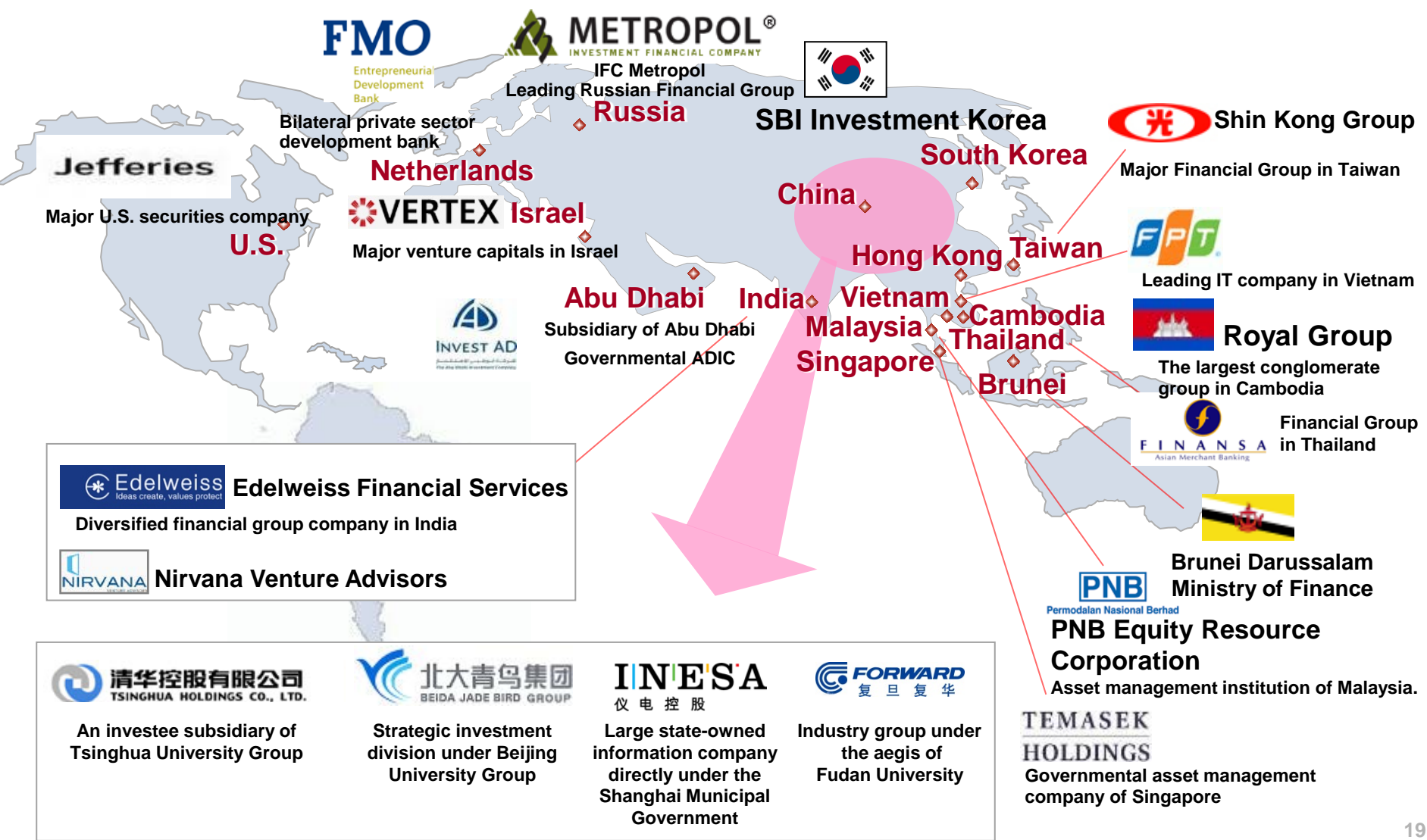
Thorough Pursuit of Synergy between Biotechnology-related Business and Financial Services Business

As the Biotechnology-related Business contributes to the health of the insurance policyholders , the insurance companies may reduce insurance payouts. Additionally, SBI will be able to create a possible win-win situation for both policyholders and the SBI Group



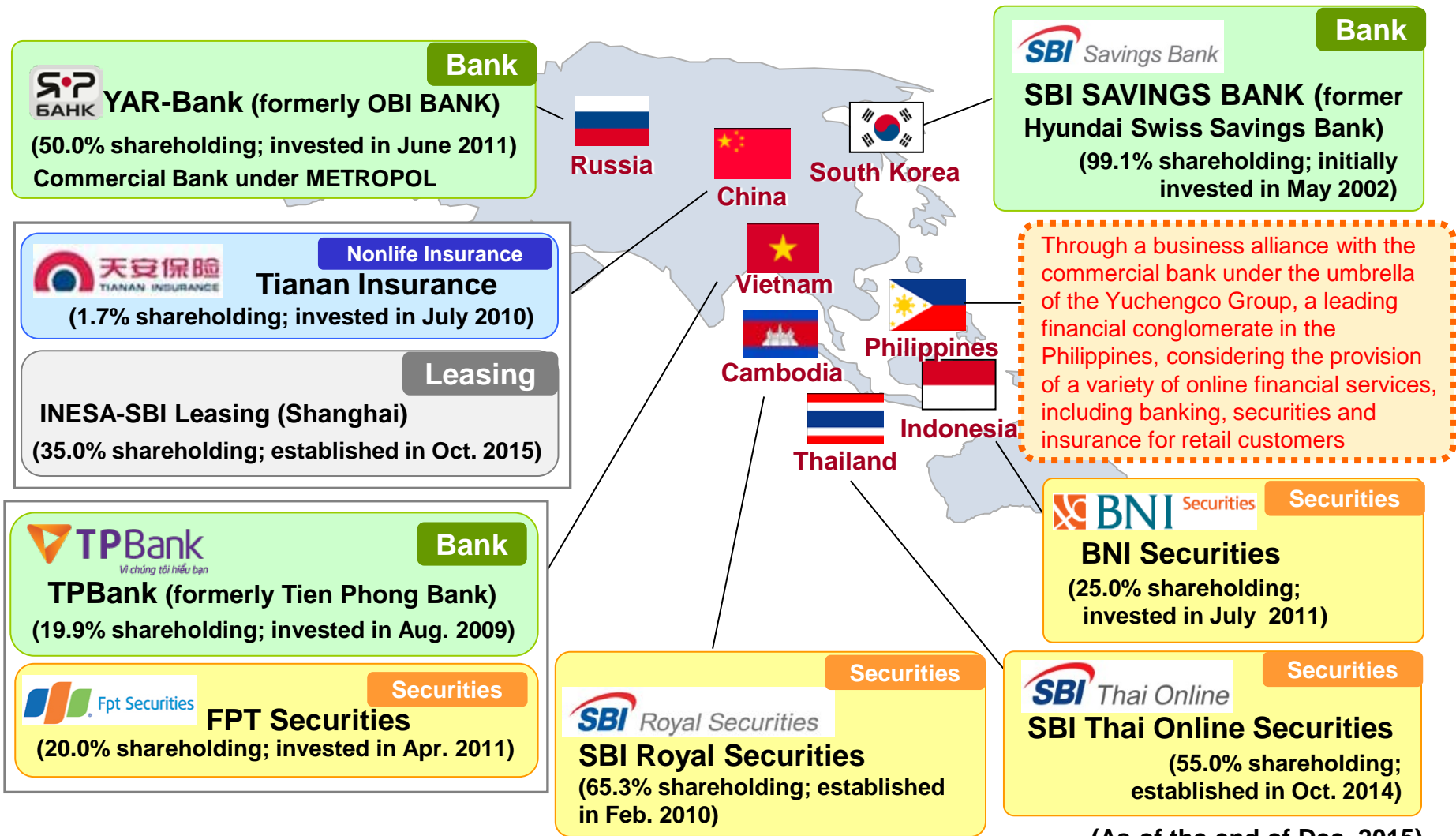
At SBI Holdings and Morningstar Japan, health foods containing 5-ALA is presented as shareholder benefits

Promoting a Global Investment Structure Focusing on Asia in Order to Diversify the Group's Risk and to Achieve Further Growth



8th Stage:

Through a Cooperation with Prominent Overseas Local Partners,
Export the Domestically Accumulated Know-how and Expertise to
Promote the Establishment of a Financial Ecosystem Overseas



(As of the end of Dec. 2015)

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

II. New Challenges for the SBI Group that has Entered a Rapid Growth Stage

[Factors why the Company regard the present time as a rapid growth stage]

- 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**
- 3. The Overseas Financial Services Business and overseas investments focused on Asia are steadily thriving, with progress toward monetization**
- 4. In the Biotechnology-related Business, entering into a full-fledged growth stage**



SBI regards the current timing as the most rapid growth stage since its founding, therefore is promoting various new initiatives in all business fields

- 1. In the Financial Services Business, the establishment of a domestic Internet financial ecosystem and a complementary management structure is nearly complete, strengthening efforts towards higher growth**
 - (1) Securities-related Business centering on SBI SECURITIES is strongly promoting initiatives in order to compete with the major face-to-face securities companies**
 - (2) SBI Sumishin Net Bank is endeavoring to increase profitability of the current business, as well as transform its earnings structure by adopting new technology development in its business**
 - (3) Insurance business promoting measures to strengthen its profitability, such as the development of new products**
 - (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) Advancing the cooperation with external companies for a more sophisticated analysis and utilization**
 - (6) Will integrate FinTech companies within the SBI Group as SBI FinTech Solutions (tentative name), to initiate IPO preparations as FinTech stocks**






(1) Securities-related Business centering on SBI SECURITIES is strongly promoting initiatives in order to compete with the major face-to-face securities companies

- ① Initiating self-origination of structured bonds, to strengthen the high-net-worth customer business**
- ② With the retail business as a base, endeavoring to expand the corporate business by continuing to expand the IPO and PO underwriting businesses**
- ③ Implementing measures to adopt new technologies in the FinTech field, which has attracted the interest of financial institutions**

Conclusion of the Competition with Online Securities Companies

~ SBI SECURITIES became the No.1 in the share of individual stock trading value, number of accounts, deposits and profitability ~

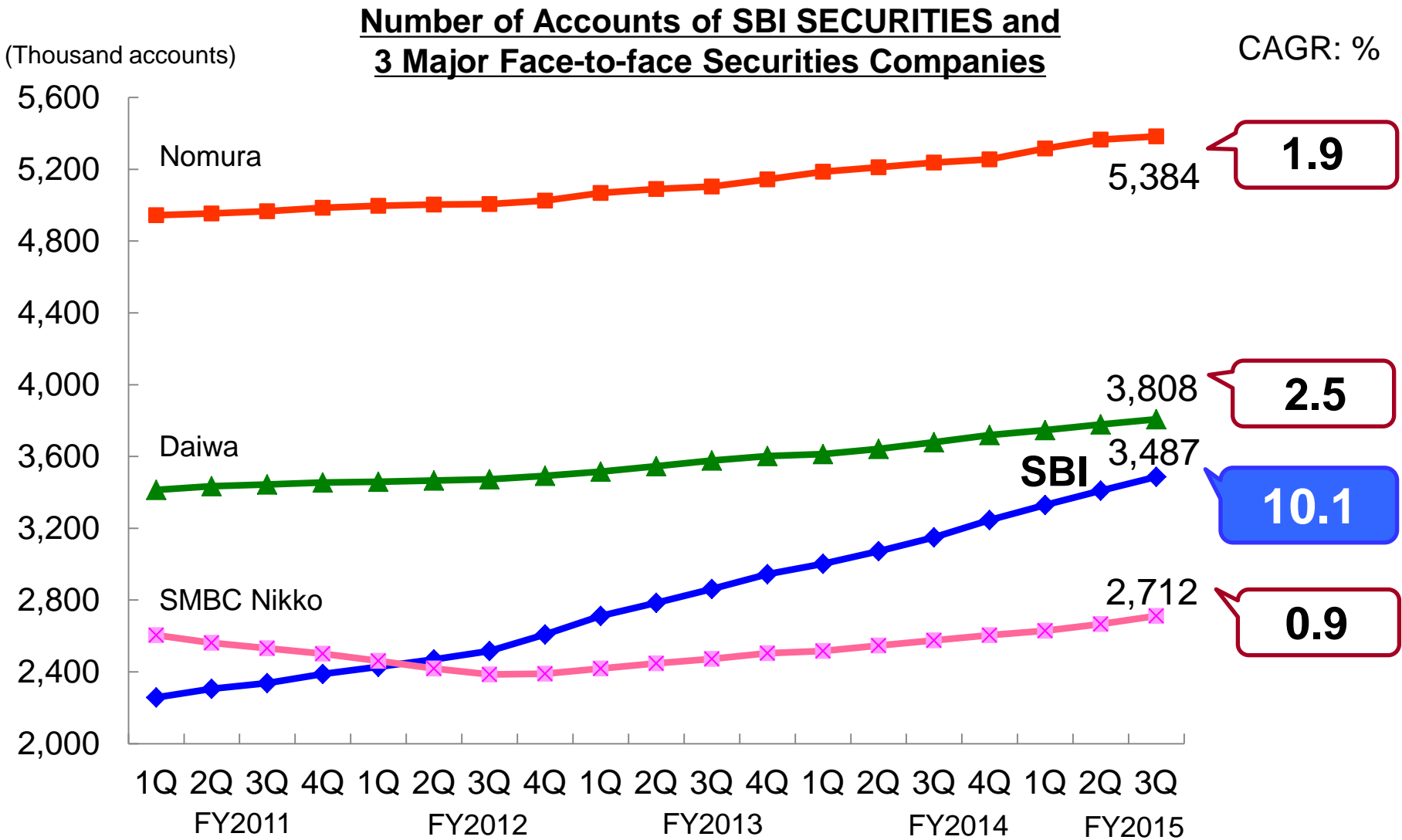
[9M FY2015 results]

	Share of Individual Stock Trading Value (%)		Number of accounts (thousand)	Deposit assets (JPY trillion)	Operating income (JPY million)
		of which, individual margin trading			
SBI (cons.)	 41.3	 45.3	 3,487	 9.6	 30,205
Rakuten (cons.)	16.5	16.7	1,951	3.7	16,926
Matsui	13.5	17.2	1,045	2.2	17,176
kabu.com	10.2	12.4	987	2.0	8,449
Monex* (cons.)	6.2	4.9	1,619	3.7	7,377

* The amount of “Operating Income” is “The amount equivalent to operating income” disclosed by Monex

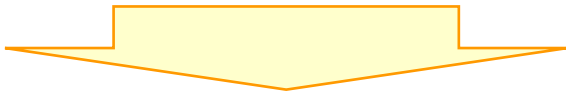
SBI SECURITIES is Chasing Major Face-to-face Securities in the Number of Accounts

Is it possible to overtake Daiwa's number of brokerage accounts within 2 years?



Initiating Self-origination of Structured Bonds

- In order to establish a structure to originate structured bonds in a flexible and prompt manner, established a Hong Kong subsidiary in June 2015
- Securities license acquired from the Hong Kong SFC on Nov. 13, 2015



Structured bonds totaling JPY 1.1bn were already originated and distributed in Dec. 2015

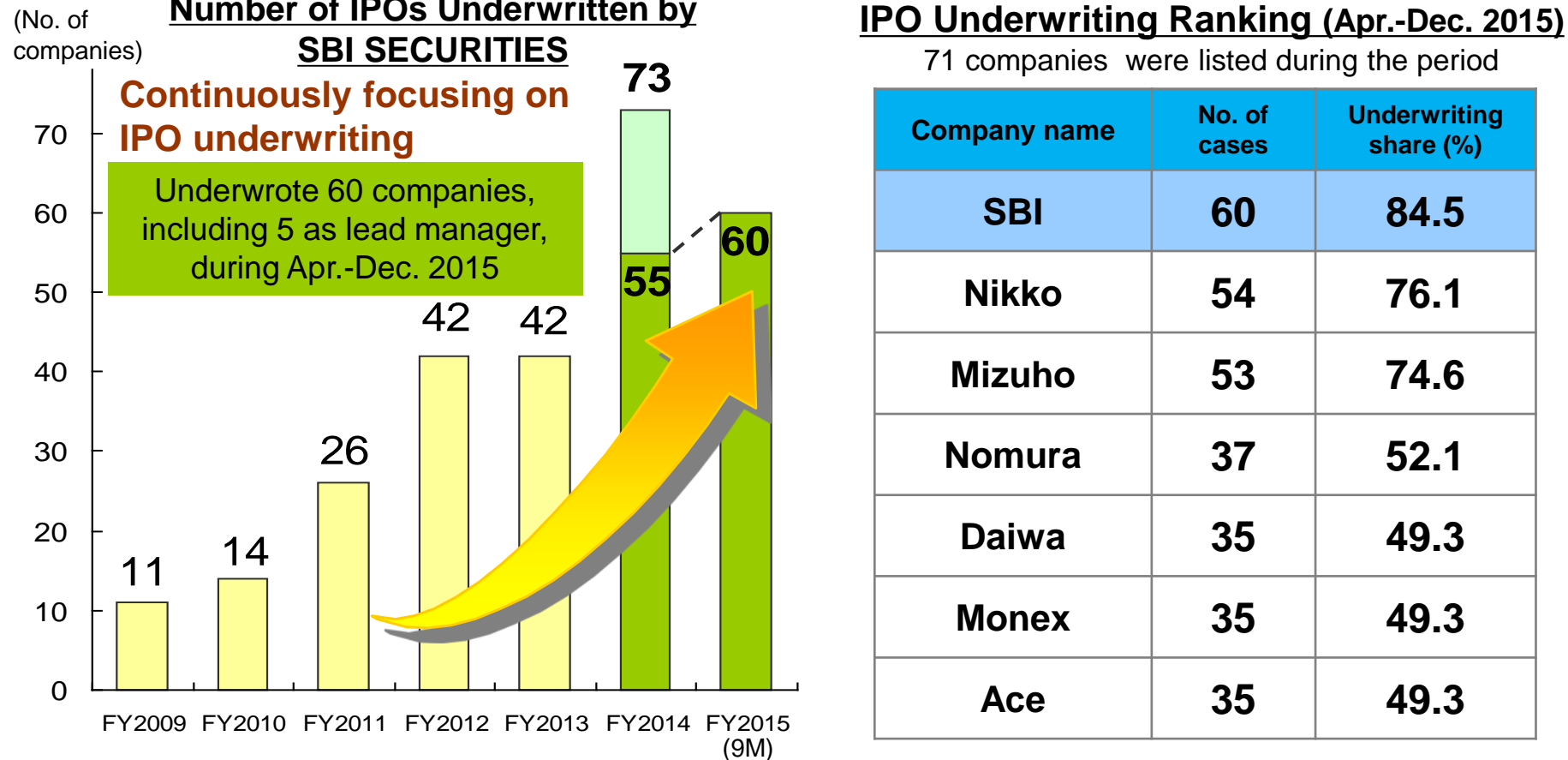
Further enhancing marketability through such measures as increasing the interest rate, and planning the origination and distribution of structured bonds equivalent to JPY25.0bn during 2016

[Structured bonds' inherent operations from development to distribution]



(1)-② Expansion of the corporate business: Enhance IPO and PO underwriting business

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



SBI SECURITIES' IPO & PO underwriting amount (simple total)

Jan.-Dec. 2014 JPY 14.6bn → Jan.-Dec. 2015 JPY 22.5bn

* 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.

* 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.

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 Utilize Blockchain Technology on a Global Basis


Major financial institutions of the world have announced their participation a blockchain consortium led by the R3CEV

- ◆ This consortium led by U.S. R3CEV currently has the participation of 42 of the world's major financial institutions
- ◆ This represents the world's largest working group that is endeavoring towards the optimization of the financial markets, utilizing blockchain technology
- ◆ Currently, proactively incorporating into the operations and validating the technology, along with proceeding with demonstration tests

Participating Institutions (Excerpt)

Bank of America, Barclays, BBVA, BNP Paribas, Citi, Commerzbank, Credit Suisse, Deutsche Bank, J.P. Morgan, Goldman Sachs, HSBC, Morgan Stanley, Royal Bank of Scotland, UBS

Domestically, only 4 of the major Japanese financial institutions are participating

- 
- | | |
|----------------------------------|---------------------------------------|
| ➤ Mitsubishi UFJ Financial Group | ➤ Sumitomo Mitsui Banking Corporation |
| ➤ Mizuho Financial Group | ➤ Nomura Holdings |

SBI also intends to participate in this consortium, as the world's first financial group that utilizes the Internet as its primary sales channel, during this fiscal year

Initiated Measures to Introduce Blockchain Technology in the Securities-related Business



- For SBI SECURITIES' self-business efficiency and the adoption of blockchain technology for the securities business systems, discussions with major IT vendors and venture companies, as well as a test demonstration is being prepared
- In order to examine the possibility of a shared-use of blockchain technology in the securities business, promoting collaboration efforts with industry participants



- With the advent of a private equity trading system that utilizes blockchain technology, considering the early adoption of blockchain technology for Japannext PTS

SBI Benefit Systems is Promoting the Development of a New Service related to Defined Contribution Pension Program through an Alliance with a FinTech Companies

[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

(2) SBI Sumishin Net Bank is endeavoring to increase profitability of the current business, as well as transform its earnings structure by adopting new technology development in its business

- ① Preparing measures to improve the profitability of the card loan business, which has been steadily increasing its balance**
- ② Developing the credit card business into a primary revenue source by achieving profitability within the next fiscal year**
- ③ Through alliances with FinTech companies, embarking on the development of new financial services**
- ④ Promoting efforts to enhance operational efficiency by utilizing blockchain technology and big data**

Preparing Measures to Improve the Profitability of the Card Loan Business, which has been Steadily Increasing Its Balance

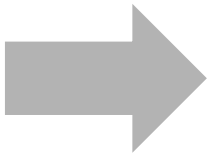
Card Loans
(as of the end of Dec. 2015)
Service launched in Sept. 2010



Balance: JPY 103.3bn
Increased 1.5 times YoY

In the card loans business, limiting the guarantee fees, and in order to improve the profitability, considering an in-house origination of guaranty

住信SBIネット銀行



Newly establishing guaranty company (subsidiary)

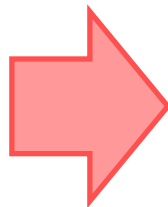
Subsidiary within the SBI Group covers a part of guaranty

Developing the Credit Card Business into a Primary Revenue Source by Achieving Profitability within the Next Fiscal Year



[SBI Card]

(Acquired in Oct. 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 within the next fiscal year, by focusing the Group's full-scale efforts

Acquisition of new customers

- 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

Utilization promotion measures

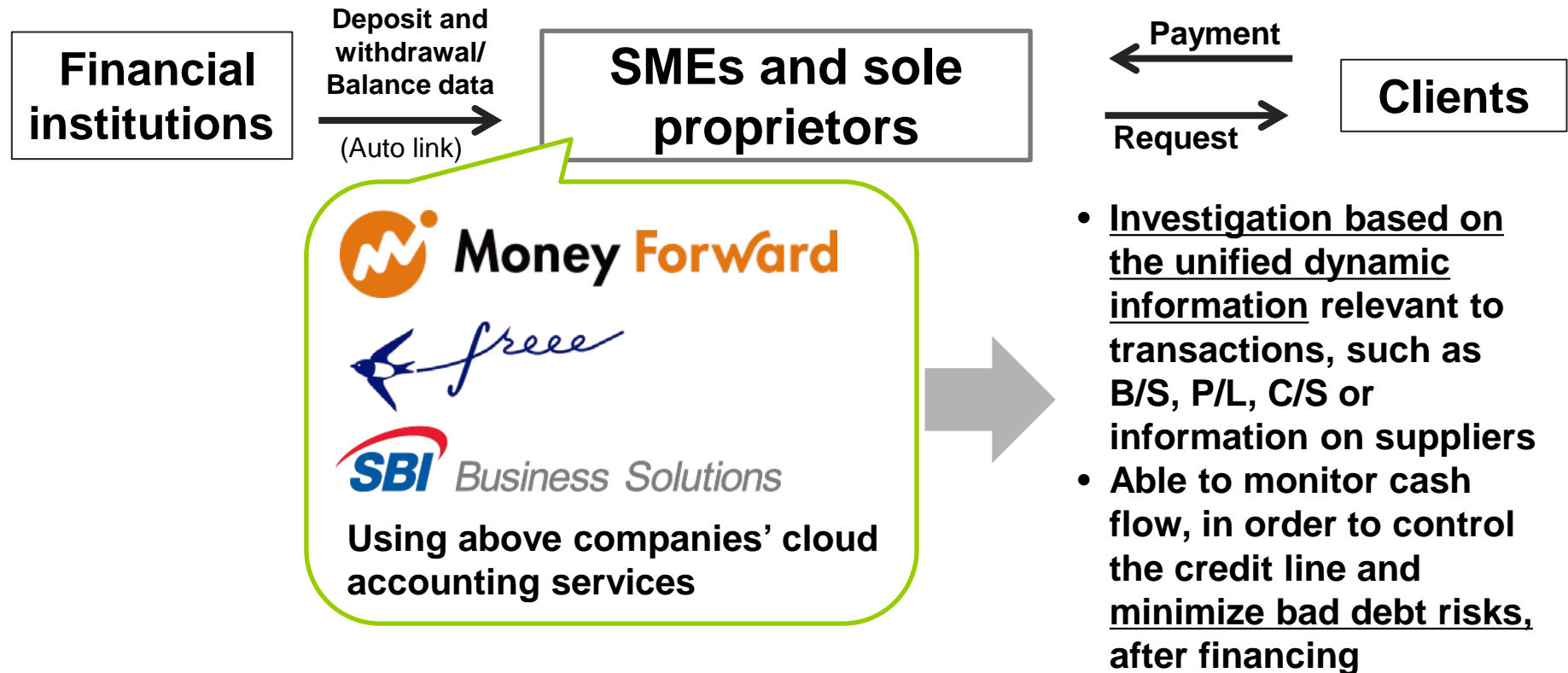
- Implement upgrade invitations to current credit card members
- Improve card utilization rate through the point addition campaign

Improving the earnings structure through revised offerings, and fundamental overhaul of the business flow

(2)-③ Starting to develop new financial services, through the alliance with FinTech companies

Started the Development of an Accounting Transaction Based Loan Business for SMEs and Sole Proprietors, Utilizing the Cloud Accounting Service Offered by Partner FinTech Companies

Accounting transaction based loan scheme



Considering the development of a new credit line model which incorporates big data analysis and AI, based on user data of partner FinTech companies

Promoting Efforts to Enhance Operational Efficiency by Utilizing Blockchain Technology and Big Data

Utilization of blockchain

- Through an alliance with NRI and Dragonfly FinTech, initiated demonstration tests to examine the possibility of applying blockchain technology to in-house systems, such as bank account transactions
- Will utilize the results of the demonstration tests to consider the development of a next generation accounting system

 It is capable to reduce system costs

Big data analysis utilization

In conjunction with another South Korean savings bank, a new credit evaluation model development project has already been implemented, which applies machine learning algorithms to achieve a default rate decrease of approx. 3%



In order to reduce the loan delinquency ratio, will deliberate the possibility of integrating Solidware’s big data analysis technology and know-how.
The potential for introduction will be explored as well.

(3) Insurance business promoting measures to strengthen its profitability, such as the development of new products

- ① Areas of focus for the insurance business**
 - (i) SBI Insurance has embarked on the development of fire insurance products**
 - (ii) SBI Life selling whole life medical insurance and term insurance through the Internet, and through the face-to-face channels as well**
 - (iii) Strengthening the profitability of SBI Insurance, SBI Life and the Group insurance companies, through the entrance into the reinsurance business within this fiscal year**
- ② Promoting the development of personal insurance products through the integration of the insurance business and IoT technology**

SBI Insurance Embarks on the Development of Direct Fire Insurance, to Initiate an Insurance Premium Revolution

Distribution ratio of net premiums by line among the domestic non-life insurance companies



- Voluntary Automobile
- Fire
- Compulsory Automobile Liability
- Personal Accident
- Miscellaneous Casualty
- Marine and Inland Transit

Source: The General Insurance Association of Japan, “GENERAL INSURANCE IN JAPAN FACT BOOK 2015”

Taking advantage of the features of a direct insurance company, developing a low-premium fire insurance, which will be distributed by fully utilizing the synergies with SBI Sumishin Net Bank and ARUHI (former SBI Mortgage), both of which are materially involved in housing loans



住信SBIネット銀行

SBI Sumishin Net Bank

ARUHI

(SBI Group’s share holding*: Approx.10.32%)

* Ratio of voting rights for ARUHI Group Co., Ltd., the holding company of ARUHI. SBI Group's shareholding percentage corresponds to a total percentage based on the IFRS criteria for subsidiary companies and subsidiary funds of the Group. (As of the end of Dec. 2015)

①-(ii) Launch of new products in SBI Life Insurance

Considering the Features of Life Insurance, SBI Life Insurance's Whole Life Medical Insurance and Term Insurance will be Sold Not Only through the Internet, but also through the Face-to-face Channels to Fully Leverage Group Synergies



[Internet channel]

Comparison website

SBI Holdings
InsWeb

Number of customers: 7,544 thousand *2

[Face-to-face channel]

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

住信SBIネット銀行
SBI Sumishin Net Bank

Number of accounts:
2,522 thousand *2

SBI Insurance

Number of contracts:
approx. 815 thousand *2

SBI SS1

Number of contracts:
approx. 16 thousand *2

SBI IKIIKI SS1

Number of contracts: approx. 45 thousand *2

Call center

NEWTON FINANCIAL CONSULTING, Inc.





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

Financial Agency Inc.

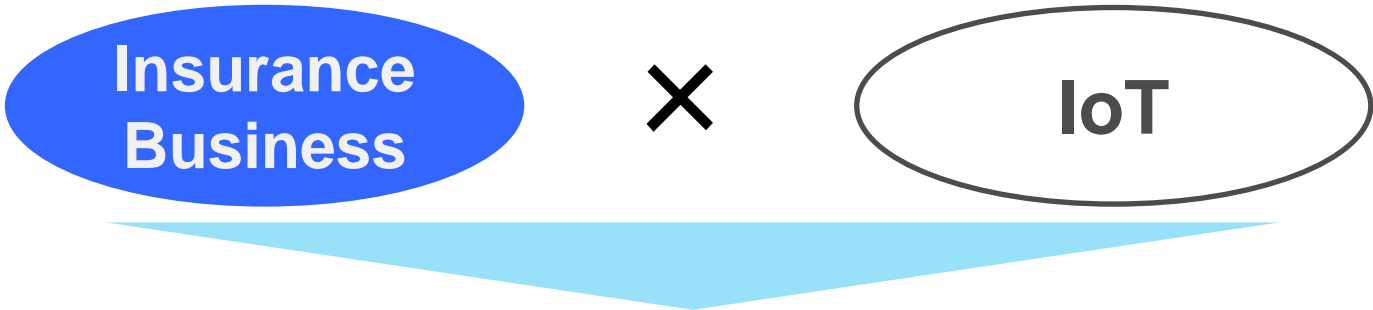
(SBI's shareholding percentage:34.9%*1)

*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.2015.

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, and the establishment of an insurance holding company

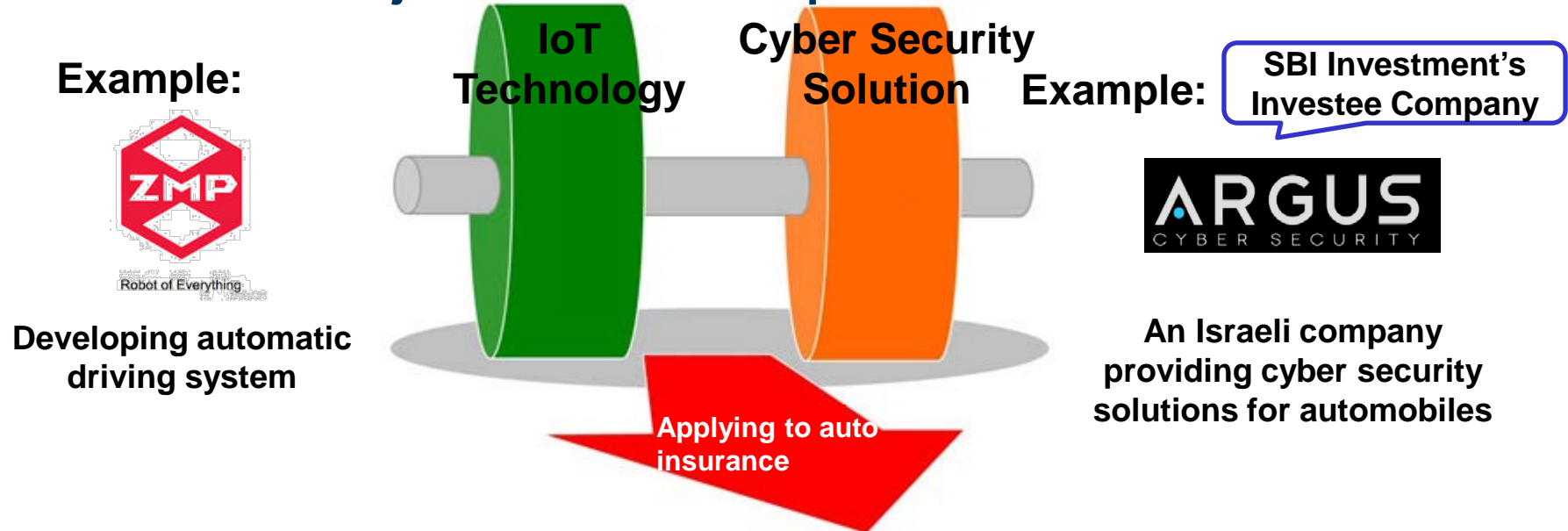


Development of Personalized Insurance Product for Life and Nonlife Insurance



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

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



- 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

(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

**(4) Asset Management Services Business nearly complete development of business structure
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

Holdings



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(5) 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

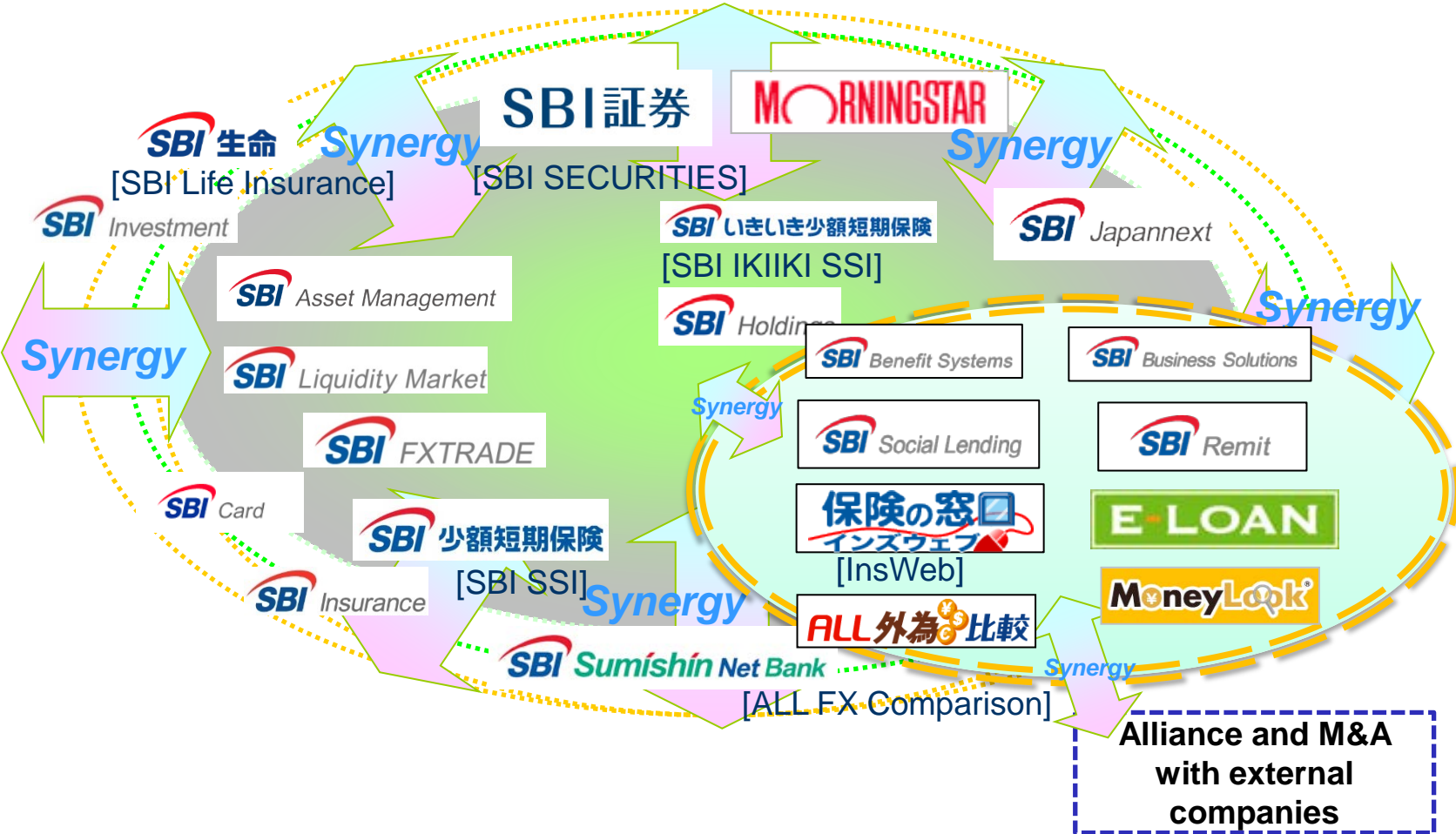
To strengthen big data analysis, negotiating investments and cooperation with major overseas big data analysis companies

(6) Will integrate FinTech companies within the SBI Group as SBI FinTech Solutions (tentative name), to initiate IPO preparations as FinTech stocks

(6) Integrally operating the FinTech Companies within the SBI Group as SBI FinTech Solutions (tentative name)

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



(6) Integrally operating the FinTech Companies within the SBI Group as SBI FinTech Solutions (tentative name)



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	87.50	12.00	1.65	42.50	7.00
	Profit before income tax expense (Ordinary Profit)	2.11	4.98	0.88	0.20	19.70	0.35
	Profit for the period	-	3.67	0.59	0.10	13.13	0.35
Asset	Total Asset	3.52	695.28	16.16	3.39	34.16	11.61
	Equity	1.86	125.04	4.23	2.67	29.86	8.03
Stock Price Index	Market Value	-	387.12	60.43	21.38	444.34	23.69
	PBR(x)	-	3.1	14.3	8.0	14.9	3.0
	PER(x)	-	105.4	102.4	213.8	33.8	67.7

- 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 FY2016 by Bloomberg and asset items are as of the end of Dec. 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 Dec.. 2015.
- Kakaku.com: Profit and loss items are FY2015 planned by the Company and asset items are as of the end of Dec.. 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 Feb. 24, 2016 and the other companies are based on closing price as of Feb. 25, 2016

2. In the Asset Management Business, with the acceleration in the technology developments in the fields of Fintech, mobile, IoT, AI, and big data, along with the heightening global interest, endeavoring to invest in and form alliances with promising companies in these fields

- (1) Established “FinTech Fund” targeting FinTech-related companies**
- (2) Actively promoting investments in new technological innovation field such as FinTech, including blockchain technology, IoT and big data**
- (3) Starting a capital alliance with the Yello Mobile Group that possesses the largest mobile platform in South Korea**

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

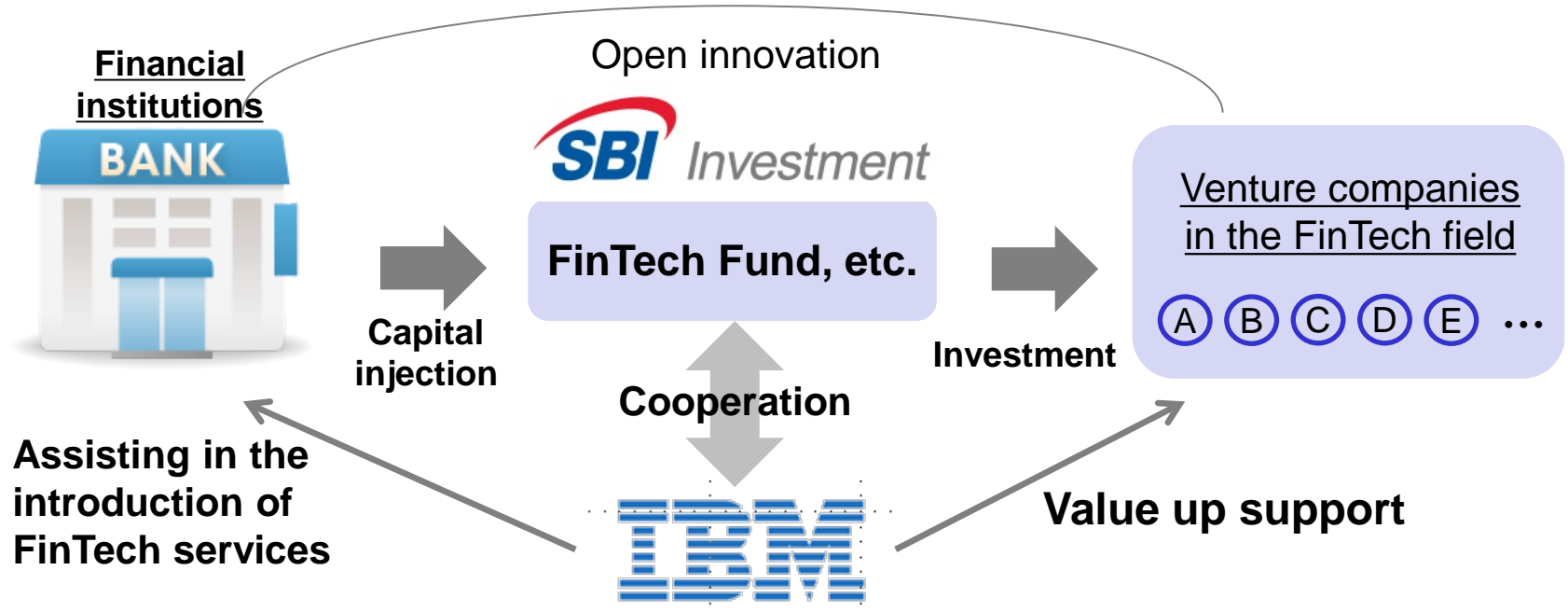
FinTech Business Innovation LPS

- 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 freee K.K. as the first investment in Dec. 2015, and have also invested in several other companies
 - Going forward, anticipating investing in 100 or more domestic and overseas venture companies
- ◆ The financial institutions who have invested may jointly study the feasibility of the technology and services of some of the FinTech companies, which may lead to discussions of a potential reduction of an initial investment, or a consideration of an early adoption.
 - SBI Investment collaborates with IBM, one of its IT vendors, through “IBM FinTech Program” (announced Feb. 12, 2016)


Collaborating with IBM to Support Venture Companies, and to Strengthen the Assistance to Financial Institutions Considering the Acquirement of FinTech



Through the support of open innovation by investee companies and fund investors, promoting the introduction and utilization of FinTech by investors, as well as the promotion of a value-up of the investee companies

 **SBI Group supports the provision of more innovative financial services with higher customer satisfaction, by strengthening the wide range of cooperation between the financial institutions and the investee venture companies**

Example of a partner venture company:

 Goodpatch, Inc. (One of the few design companies in Japan that is specialized in the design of UI and UX)

Promoting Investments in New Technology Innovation Fields, such as FinTech, including Blockchain Technology, IoT and Big Data ①

Blockchain Technology



Orb, Inc. (Japan) (Investment in Oct. 2015)

- By adopting a proprietary authentication algorithm, resulting in an overwhelmingly low cost and short time authentication process
- 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



ripple Ripple Labs Inc. (U.S.) (Investment planned in Mar. 2016)

- 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) (Investment planned in Mar. 2016)

- 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.) (Investment planned in Mar. 2016)

- 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

Promoting Investments in New Technology Innovation Fields, such as FinTech, including Blockchain Technology, IoT and Big Data ②

Other FinTech

 **Money Forward** Money Forward, Inc. (Japan) (Investment in Aug. 2015)

- Operates “Money Forward,” an automatic household account and asset management service for customers, and “MF Cloud” series, a cloud service for SMEs



free K.K. (Japan) (Investment in Dec. 2015)

- Providing services such as “free cloud accounting software” for SMEs

IoT (Internet of Things)



Argus Cyber Security Ltd. (Israel) (Investment in Sept. 2015)

- Providing cyber security solutions for automobiles to protect the core system of automobiles from cyber attacks

Big data



GiXo Ltd. (Investment in Feb. 2016)


- Through the utilization of big data, providing analysis support services and consulting services to enhance client companies' competitiveness

Along with Investments in Companies Possessing Superior Blockchain Technology, Promoting the Establishment of Joint Ventures and Alliances with Those Companies

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)

 *Japannext*
(Proprietary Trading System (PTS))

 *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

... etc.

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

**Along with an Investment into Yello Mobile, which
Owns the Largest Smartphone Platform in South Korea,
Forming 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

Through a collaboration centered on SBI SAVINGS BANK of South Korea, considering the acquisition of companies in Southeast Asia, such as in Thailand, Indonesia and Vietnam, to realize the establishment of an economic zone, with the Yello Mobile Group

3. The Overseas Financial Services Business and overseas investments focused on Asia are steadily thriving, with progress toward monetization

Overseas Financial Services Business in Asia is Steadily Thriving (i)



Cambodia: Phnom Penh Commercial Bank



ធនាគារ ភ្នំពេញ ពាណិជ្ជ
Phnom Penh Commercial Bank

SBI Group's shareholding: 47.6%* (As of the end of Dec. 2015)



SBI Group's shareholding, including dilutive shares: 91.0%

- Invested in Phnom Penh Commercial Bank when it opened in Sept. 2008
- Operates 10 branches throughout the country: 8 branches are in Phnom Penh, one branch is in Siem Reap and another in Battambang
- Preparing to establish a representative office in Yangon, Myanmar
- Rapid growth in both revenue and income



With a consortium led by Jeonbuk Bank of South Korea, have already signed an agreement to transfer the entire shares of Phnom Penh Commercial Bank for a total of USD 134m, and the sale is expected to be completed upon the authorizations from the relevant South Korean and Cambodian financial authorities

➔ On the basis of the current estimation, 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)

Overseas Financial Services Business in Asia is Steadily Thriving (ii)



Vietnam TPBank

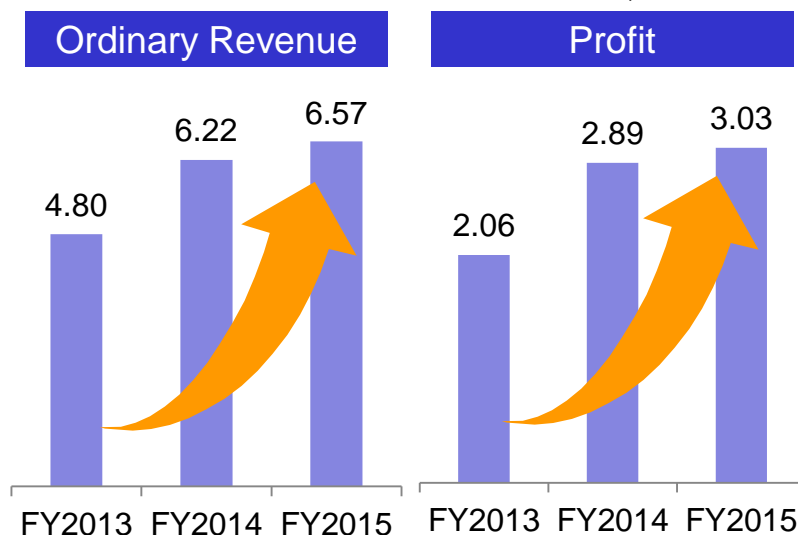


SBI Group's shareholding: 19.9%*1 (As of the end of Dec. 2015)

- Acquired shares in Aug. 2009
- Operates 44 branches throughout the country, including the central branch in Hanoi
- Rapid growth in both revenue and income

<Transition of financial results *2,3>

(Unit: JPY billion)



	FY2013	FY2014	FY2015
Total assets	173.3	278.0	411.6
Deposits	77.4	116.8	213.3
Loans	63.8	106.1	151.1

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

*2 Converted at VND 1 = JPY 0.0045

*3 The results for FY2015 is preliminary results, which are not subject to an audit by the auditor

Overseas Financial Services Business in Asia is Steadily Thriving (iii)

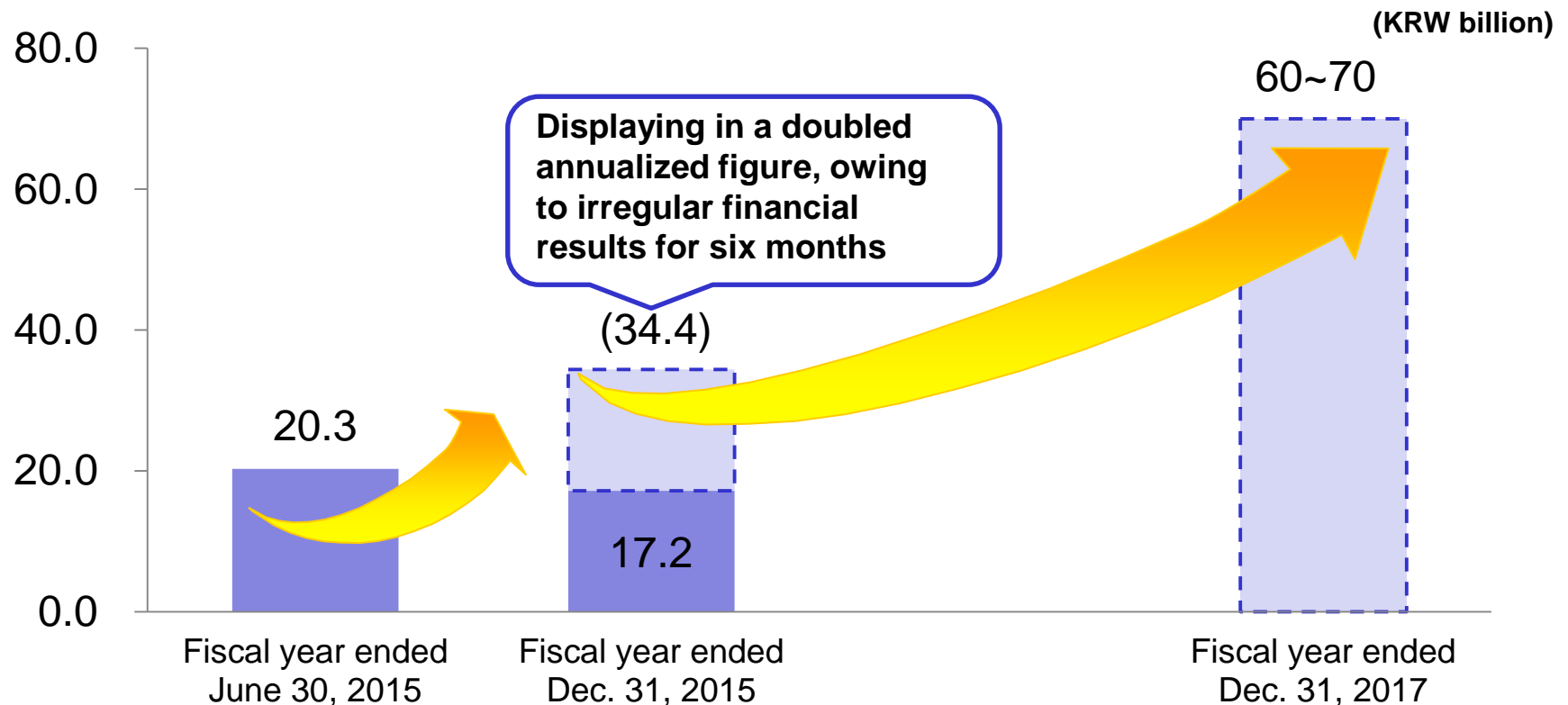


South Korea: SBI SAVINGS BANK

SBI Group's shareholding: 99.1%* (As of the end of Dec. 2015)

By eliminating the bad debt that it carried before becoming a subsidiary in the next fiscal year, SBI SAVINGS BANK of South Korea is forecasting a net income level of KRW 60-70bn in FY2017

The net income trend and forecast based on a K-GAAP



Overseas Venture Capital Business Steadily Establishing an Investment Track Record

Since 2005, established venture capital funds in collaboration with prominent local partners

Overseas funds

(China)

**New Horizon Fund
(first fund)**

Year of establishment: 2005
Commitment amount:
USD 100m



Investment yield* :
6.9x

(Brunei)

**SBI Islamic Fund (Brunei)
Limited**

Year of establishment: 2010
Commitment amount:
USD 59.5m



Investment yield* :
1.22x

(Taiwan)

**SBI & Capital 22 JV
Fund, L.P.**

Year of establishment: 2008
Commitment amount:
USD 22.5m



Investment yield* :
1.55x

*Investment yield=Return / Investment amount. As for pre-exit stocks of SBI Islamic Fund (Brunei) Limited and SBI & Capital 22 JV Fund, L.P., adds market value of the concerned stock to the amount of return.

4. In the Biotechnology-related Business, entering into a full-fledged growth stage

(1) SBI Pharmaceuticals' current state of drug development

(2) In the 5-ALA business, nearly completing the establishment of a globally exclusive supply system that will integrate the development, manufacture and sales of the product, and will establish a business structure in SBI ALA Hong Kong to realize global synergies

① Global R&D

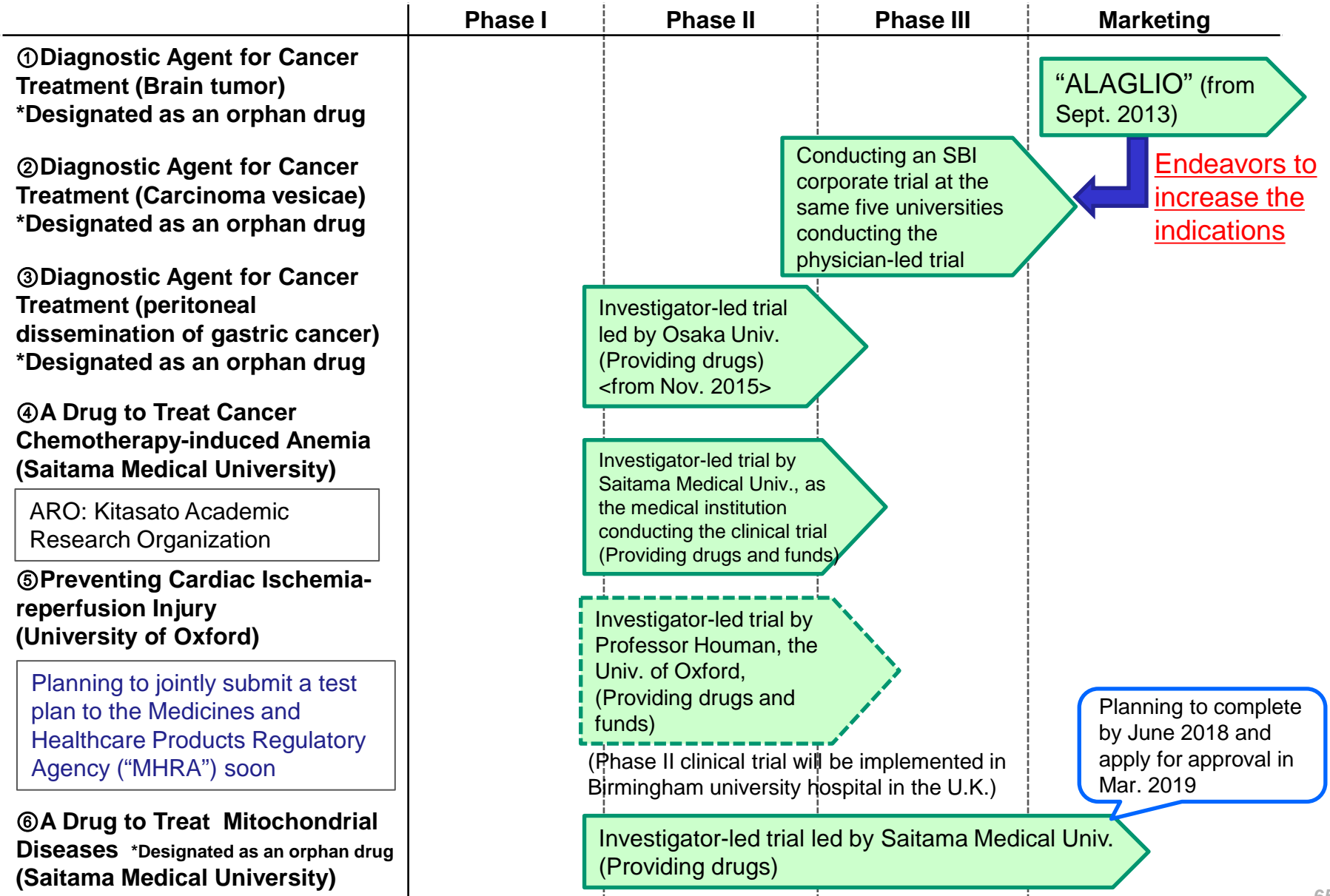
② Global Marketing

③ Global Alliances & Licensing-out

(3) Enhancing product offerings including the initial launch of a food labeled with health benefits, and strengthening sales promotion activities

R&D Progress in the Pharmaceutical Field

Sponsored by SBI Pharmaceuticals



(1) SBI Pharmaceuticals' current state of drug development:

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

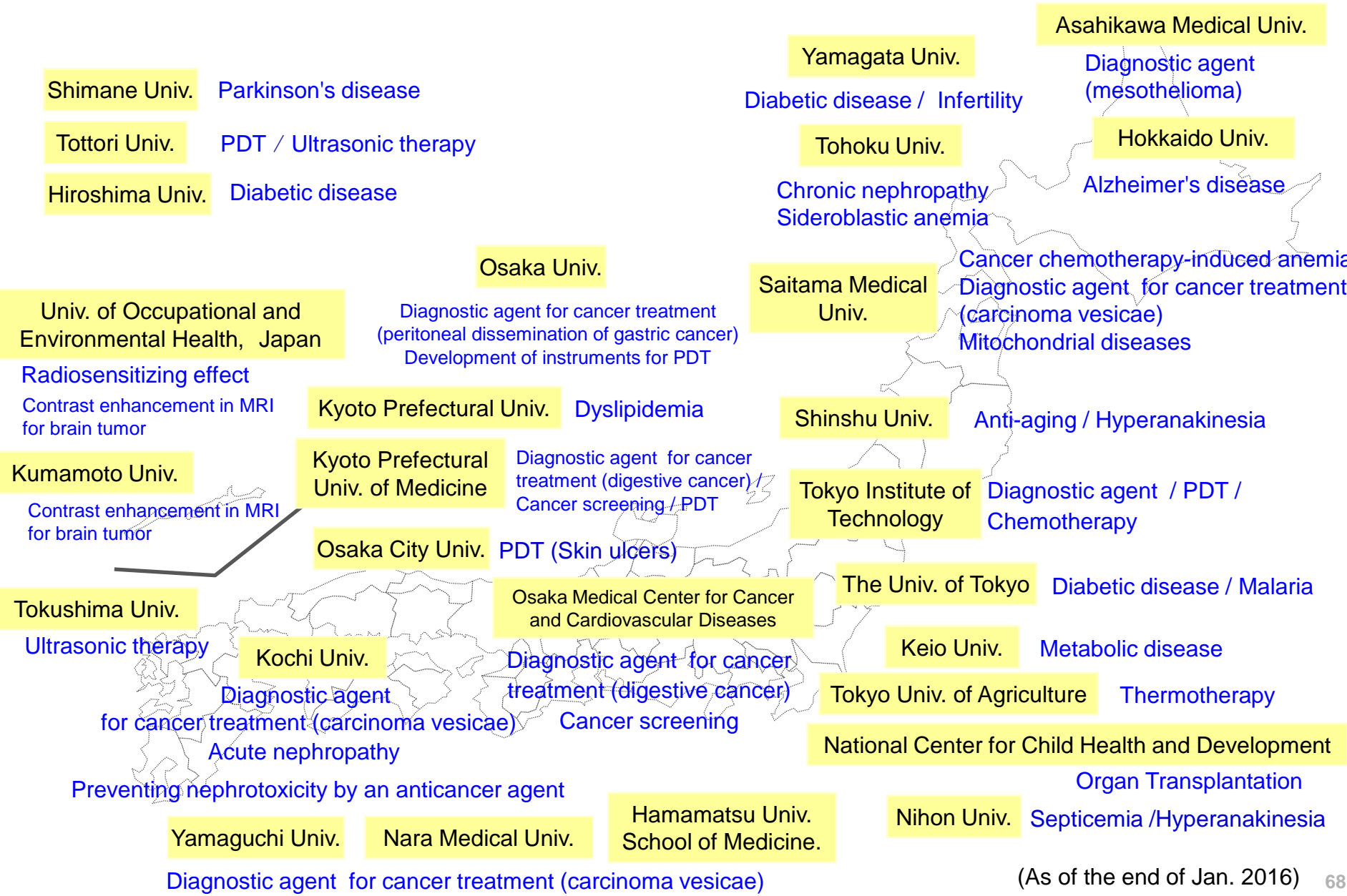
SBI Pharmaceuticals Also Obtaining Several Patents that Utilizes 5-ALA in Other Countries

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)

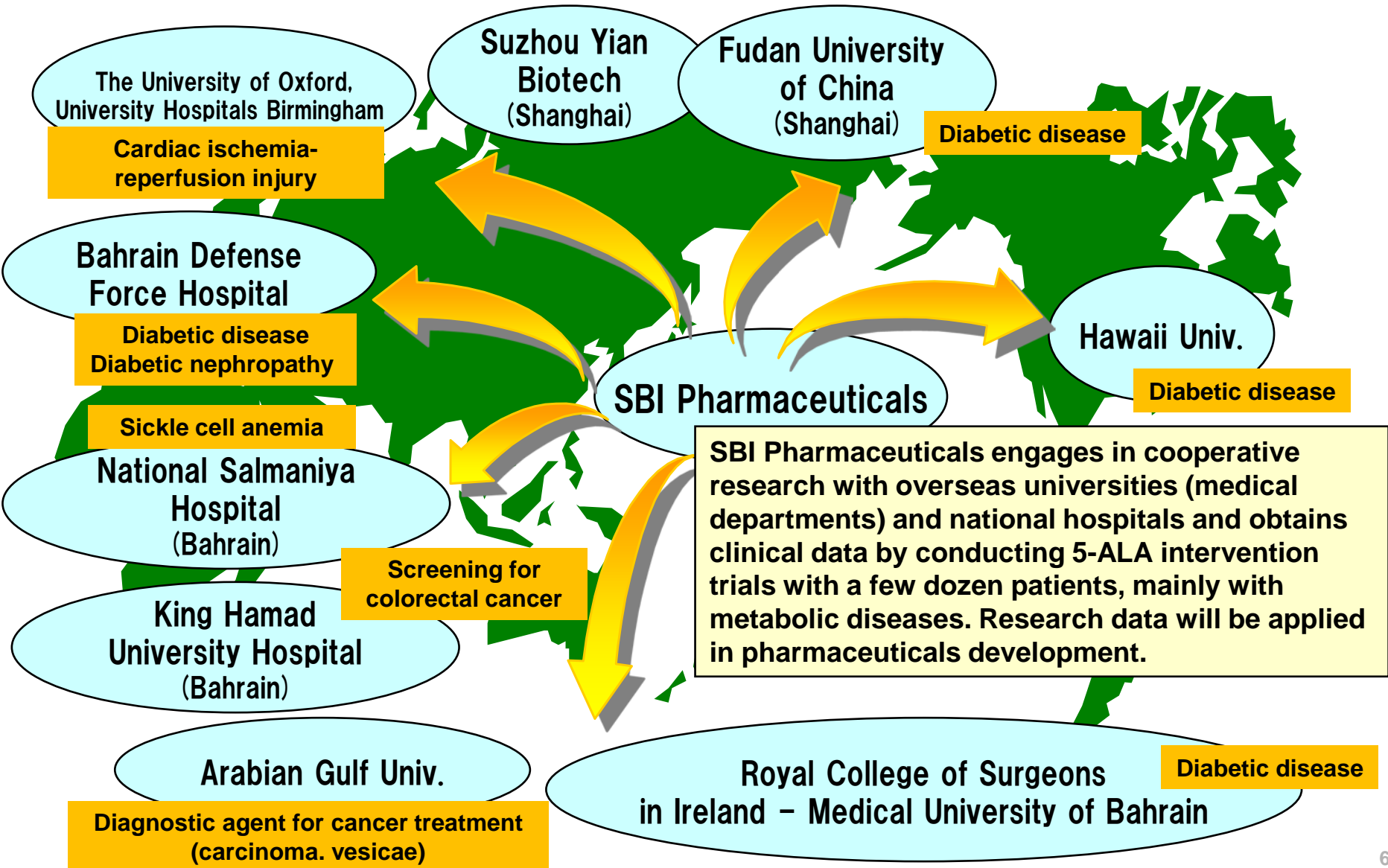
Overseas patent registration:

	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

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



Expanding Co-Researchers and Business Partners in the World



(2) In the 5-ALA business, nearly completing the establishment of a globally exclusive supply system that will integrate the development, manufacture and sales of the product, and will establish a business structure in SBI ALA Hong Kong to realize global synergies

① Global R&D

- Enhancement of R&D pipeline and acceleration of global expansion by promoting cooperation

② Global Marketing

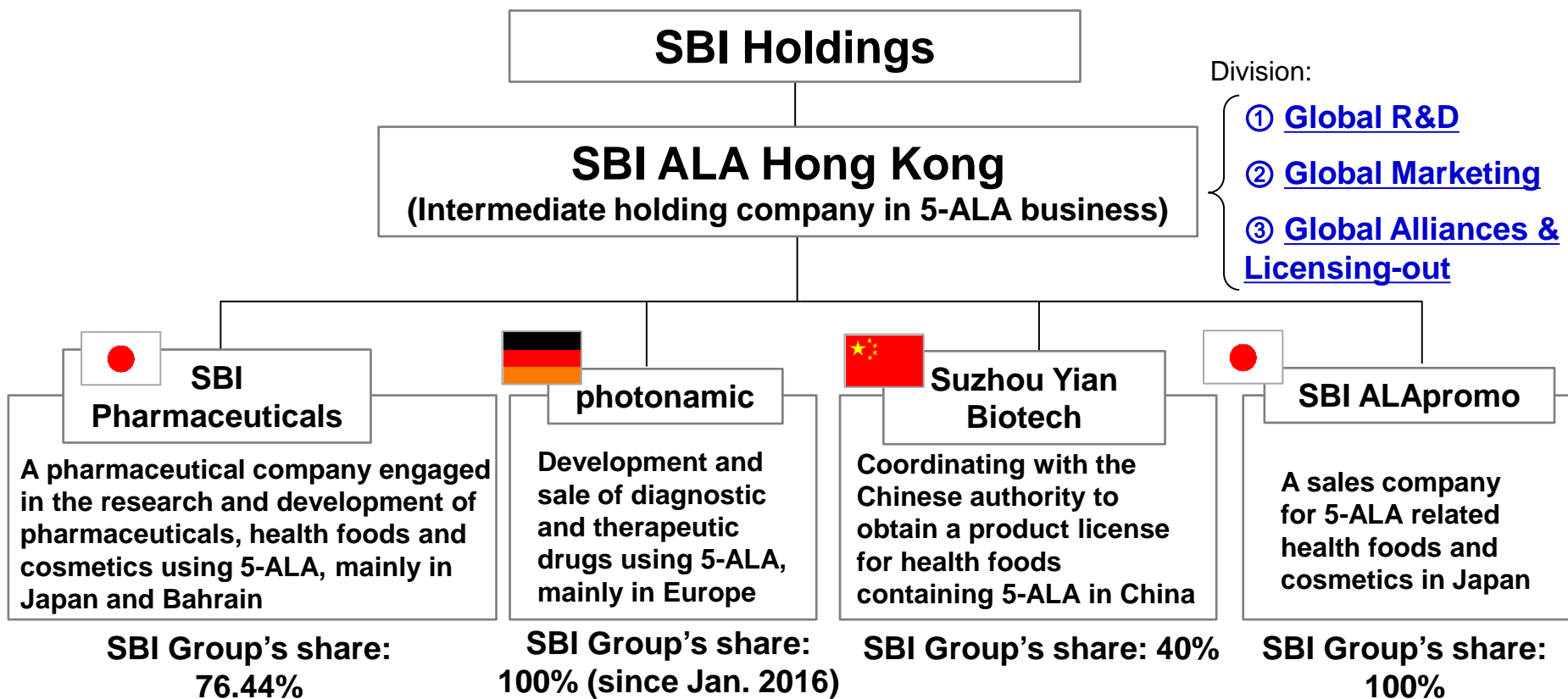
- Strengthening overseas sales structure for drugs
- Establishment of a production system for 5-ALA-related products in China
- A first food intervention trial that complies with the GCP* was successfully completed in Bahrain

③ Global Alliances & Licensing-out

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

With the Acquisition of photonamic, Establishing a Business Structure to Realize Global Synergies

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

Global Expansion Acceleration through the Integration of the Research System

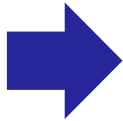
Reinforcement of the R&D foundation through collaboration between SBI Pharmaceuticals (Japan) and photonamic (Germany) to expand both companies' pipelines as rapidly as possible

<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	

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” since 2013



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 photonamic, 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

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 at the time of ingestion of test meals after 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)

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

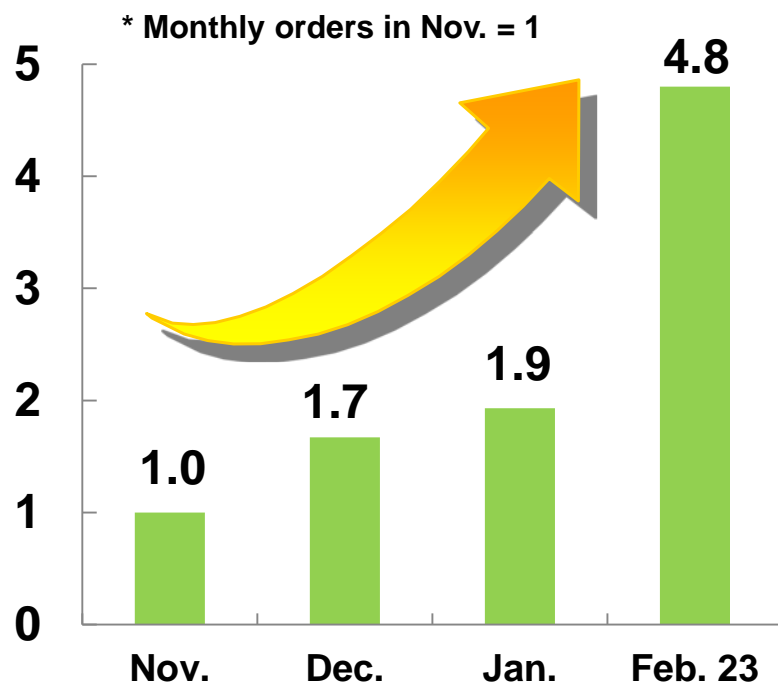
Coordination with the regulatory authorities is underway to enable use of 5-ALA phosphate, a cosmetics raw material used in Japan, as a raw material in Hong Kong.

(3) Enhancing product offerings including the initial launch of a food labeled with health benefits, and strengthening sales promotion activities

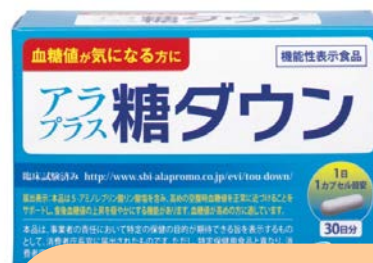
- ① Enhancing product offerings**
- ② Various measures for the sales increase of 5-ALA-related products**

Initial Launch of “ALA Plus Tou (Sugar) Down,” a Food Labeled with Health Benefits, Containing 5-ALA, Increasing Monthly Orders

Changes of SBI ALApromo's monthly orders



Supports the normalization of high levels of fasting blood glucose levels, and the moderation of the elevation of postprandial glucose levels



“ALA Plus Tou (Sugar) Down,”
(from Dec. 18, 2015)

New TV commercials featuring Hiromi Go has been started since Feb. 23!!



The appearance of
“Tou (Sugar)
Down” ver.

- Of the 6,736 consulting pharmacies and drugstores that offer SBI ALApromo products, there already are 4,214 stores that offer “ALA Plus Tou (Sugar) Down” (As of the end of Feb. 2016)
- The number of stores that offer “ALA Plus Tou (Sugar) Down” is expected to number over 6,000 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. 21, 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 launched to endeavor acquisition of new users



Moisturizing
cream



Skin
lotion



ALApi
Full-body moisturizing cream

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

Development of food labeled with health benefits as 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 on 154 patients with evidence of prediabetes

- 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



Joint promotion with Kenkou Corporation:

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

Bus routes in Tokyo Rear panel (for 2 months in Feb. and Mar.)
Keio Bus, Kanto Bus, Seibu Bus, Odakyu Bus

JR East Door-side ads in three locations (for about a week from Feb. 22 to 28)
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 the next fiscal year

[FY2015 Shareholder Return Policy]

Shareholder Return for FY2015 ①

~Announced annual year-end dividend forecast for FY2015~
(on Feb. 25, 2016)

Planning year-end dividend of JPY 25 per share for FY2015.
As a result, full-year dividend is forecasted to be JPY 35 per share, including an interim dividend of JPY 10.

[Dividend forecast (results) per share]

	End of 2Q	Year-end	Full-year
FY2015 (forecast)	JPY 10 (Ordinary dividend: 10)	<u>JPY 25</u> (Ordinary dividend: 25)	<u>JPY 35</u> (Ordinary dividend: 35)
FY2014 (results)	—	JPY 35 (Ordinary dividend: 30) (Commemorative dividend: 5)	JPY 35 (Ordinary dividend: 30) (Commemorative dividend: 5)

Note: The dividend forecast shown above is an estimate made as of the current date. Actual dividend payments may differ from the forecast due to various reasons.

Shareholder Return for FY2015 ②

~Announced repurchase of SBIH shares, owing to an undervalued stock price level~
(on Feb. 25, 2016)

[Details of SBIH share repurchase]

- Number of shares to be repurchased

Up to **5,500,000 shares**

*2.59% of total issued shares outstanding, excluding treasury stock

- Total cost of shares to be repurchased

Up to **JPY 5.0bn**

- Period for share repurchase

From Feb. 26, 2016 to Mar. 24, 2016

Planning to achieve a shareholder return ratio, as calculated by the sum of dividend payouts and share repurchase costs, of about 40% for the fiscal year-end

Shareholder Return for FY2015 ③

~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>	 <p>ALAPlus (priced at JPY 2,980 (incl. tax))</p>	 <p>ALAPlus GOLD (priced at JPY 9,800 (incl. tax))</p>	 <p>ALAPlus Essential Lotion (priced at JPY 8,400 (incl. tax))</p>
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.

[Reference]

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

SBI Group's medium- and long-term future vision

SBI's Med- and Long-term Vision Topics ①

[Financial Services Business]

Since the commercialization of the Internet in 1992, the younger generation are becoming the mainstream consumers and investors familiar with the Internet. By endeavoring to be in front of the continued development of the Internet and the communications technology, will endeavor to realize a dramatic growth in the Internet financial sector

- Established an overwhelmingly strong position in the rapidly growing online financial sector, through positive synergies and mutual evolution from the establishment of a financial ecosystem
- Through alliances with companies specialized in new technologies related to FinTech, strengthening initiative toward the development of new services and the improvement of business efficiency, by the adoption of those new technologies

[Asset Management Business]

Domestically, investments into the new growth industries of the 21st century, IT/mobile and biotechnology fields, will be focused upon. Whereas the acceleration of the Internet financial services business overseas will be focused on rapidly growing Asia, in order to transit from “Japan's SBI” to the “World's SBI”

- Along with focused investments into the Internet and mobile new technology fields of FinTech, AI, IoT, etc., promoting an alliance strategy for FinTech field investee companies, and actively seeking overseas investment opportunities into financial services businesses, primarily in Asia
- In addition to aggressively investing into the financial services business overseas, centering on Asia, promoting the establishment of an online financial ecosystem overseas

SBI's Med- and Long-term Vision Topics ②

[Biotechnology-related Business]

In addition to the health foods and cosmetics that utilize 5-ALA as its principal ingredient, in the pharmaceuticals area various basic research is being conducted, along with clinical studies, to realize profit maximization.

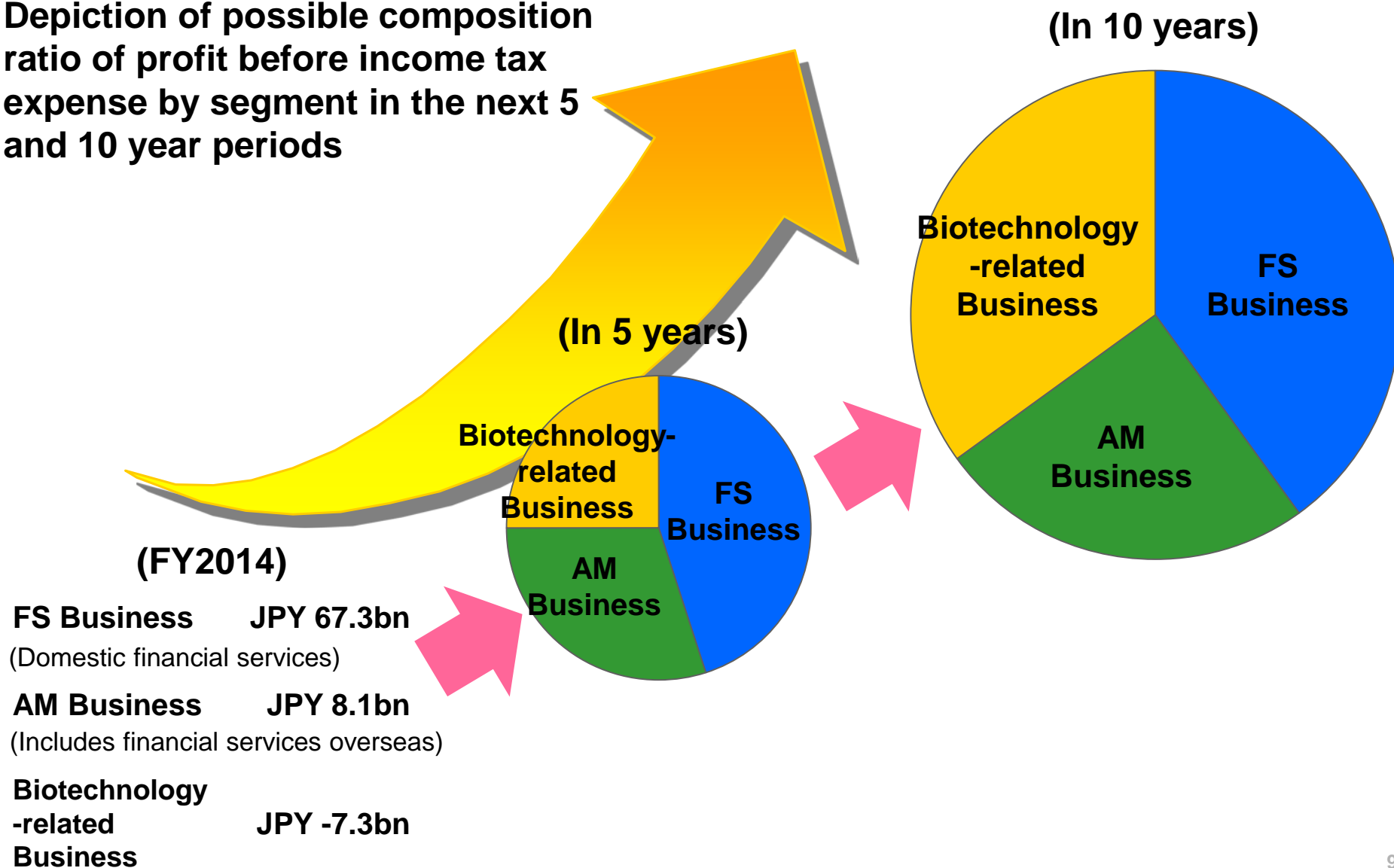
With the acquisition of the German pharmaceutical company, photonamic, establishing a business ecosystem for the 5-ALA-related business, and advancing toward the globalization of R&D, marketing and out-licensing

- While the pharmaceutical industry's operating profit margin ranks high within the manufacturing sector, currently, the SBI Group is conducting basic research both domestically and overseas, on drugs that may cure a range of diseases, with the expectation of launching multiple drugs going forward. Additionally, progressing in the establishment of a production system that will significantly reduce manufacturing costs
- SBI Pharmaceuticals has been acquiring patents for the use of 5-ALA both domestically and abroad (26 patents have already been obtained in Japan, of which 10 patents were also obtained in several countries outside of Japan), promoted the expansion of its distribution area, and has out-licensed its health food products, with the establishment of a globally exclusive supply system that will integrate the development, manufacture and sales of the product of 5-ALA
- In the field of foods, including health foods, cosmetics and feeds, the development of a labeling system for foods with functional claims has been set as a priority, and are in preparations for clinical trials to expand its product offerings, as well as being in discussions for the out-licensing of technology and business partnerships to distribute its food products

SBI's Med- and Long-term Vision

~SBI Group's positioning in the next 5 and 10 year periods~

Depiction of possible composition ratio of profit before income tax expense by segment in the next 5 and 10 year periods



[Appendix]

**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 Feb. 25, 2016) (JPY billion)

	Valuation of each segment (theoretical value)
Financial Services	449.3
Asset Management	183.3
Biotechnology-related	75.3
Subtotal	707.8 (+)
External Debt (SBIH's non-consolidated-base borrowing recorded on the consolidated B/S as of Sept. 2015)	-191.1
Sum Total	516.7 (+)*

- Business valuation per share: **JPY 3,152** ←

- Business valuation per share after deduction of external debt: **JPY 2,301** ←

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.

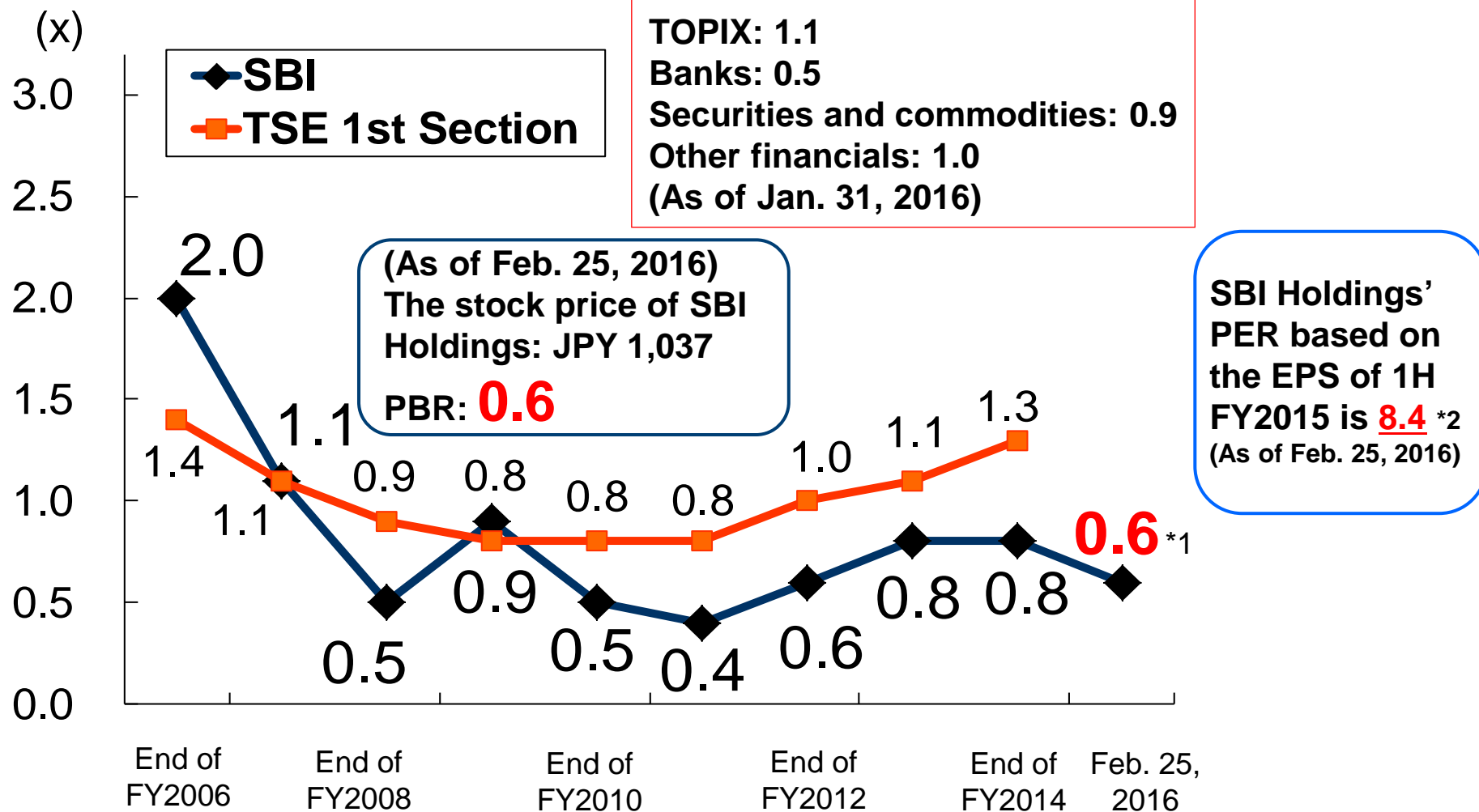
SBI Holding's Recent Stock Price

Market cap (based on the closing price on Feb. 25, 2016): **JPY 232.9bn**



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 Feb. 25, 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.

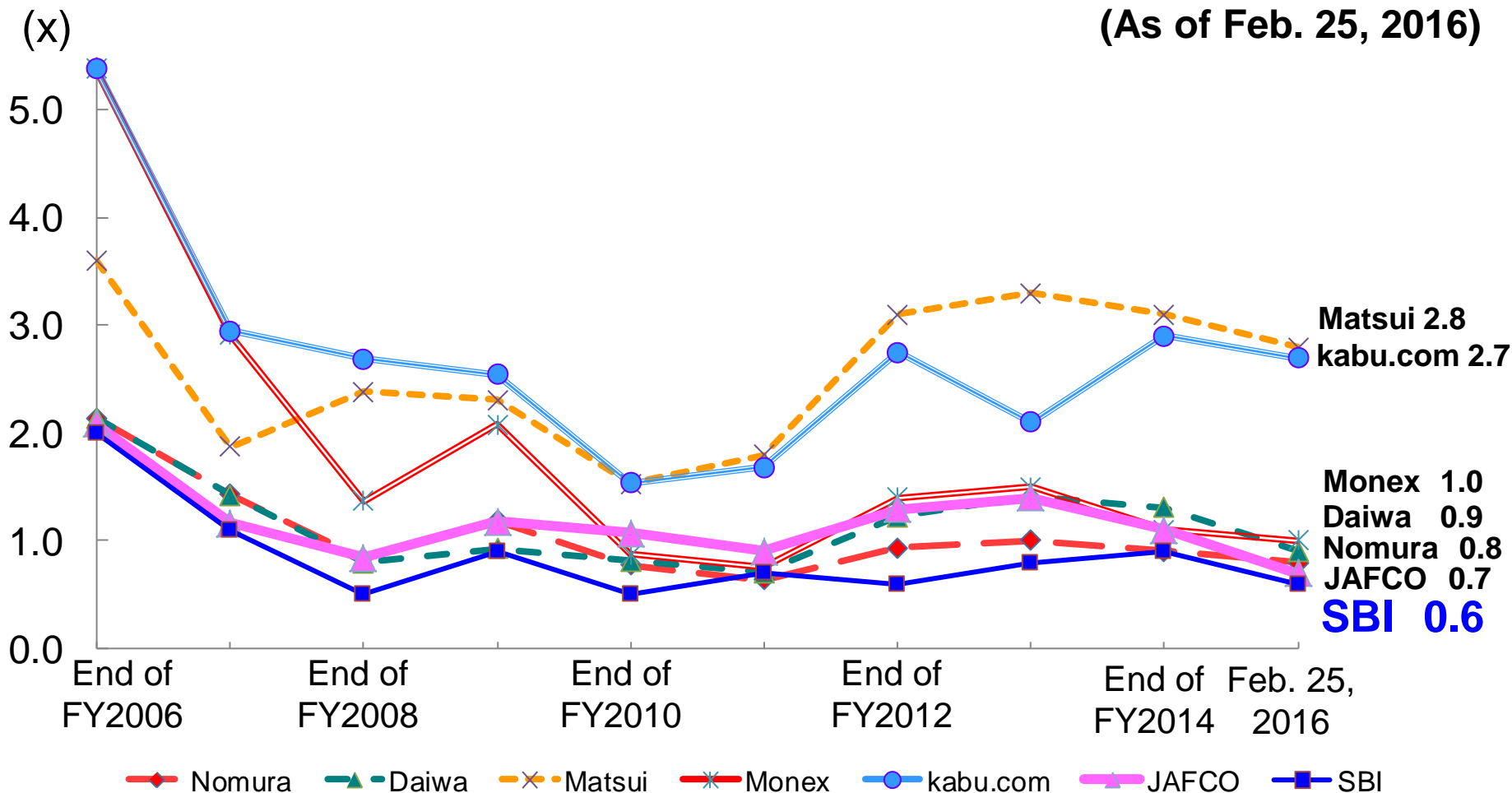
Note: PBR of SBI Holdings prior to FY2011 is calculated based on J-GAAP BPS.

Source: TSE website

PBR Comparison with Competitors

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

(As of Feb. 25, 2016)



*PBR for Feb. 25, 2016 is calculated based on the BPS of the end of Dec. 2015.

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

Source: Bloomberg

Valuation by Segment Estimated by SBI

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

① SBI SECURITIES

Valuation is conservatively estimated at JPY **324.5bn**

(based on the closing prices of Feb. 25, 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

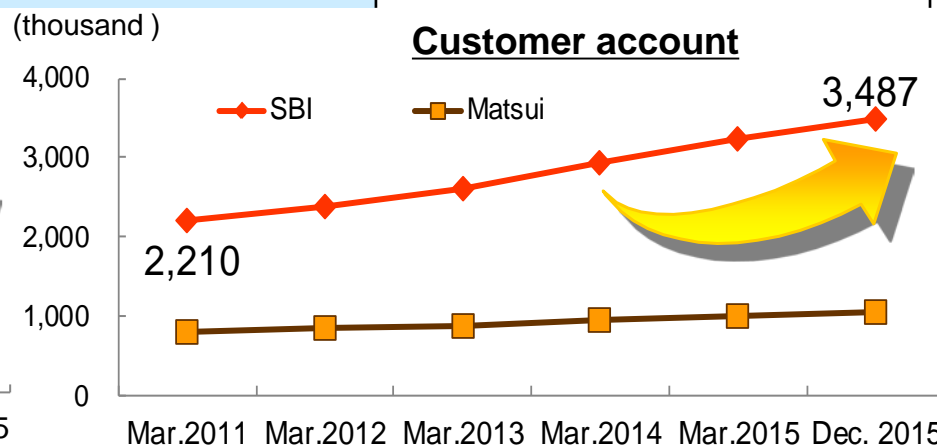
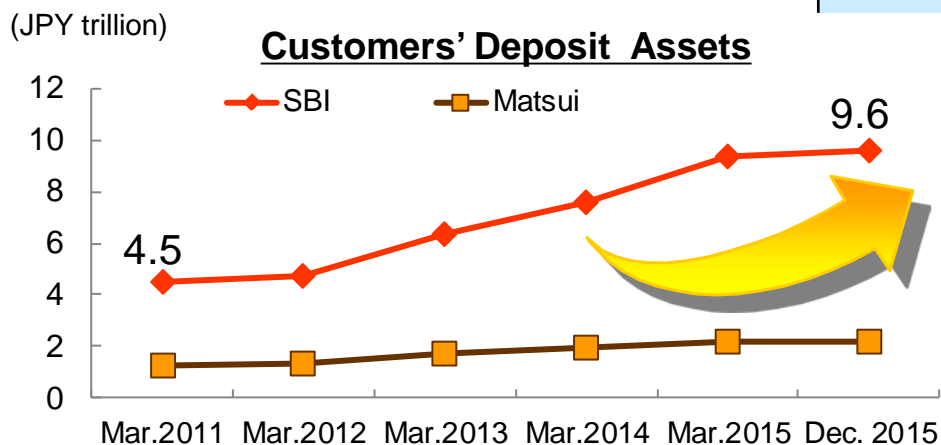
(1) Financial Services Business ① SBI SECURITIES -(ii)

Is SBI SECURITIES' valuation reasonable?

Comparison of SBI SECURITIES Matsui Securities

*Calculated by the closing prices of Feb. 25, 2016

(9M FY2015)	SBI SECURITIES	Matsui Securities
Valuation (market cap) *	JPY 324.5bn	JPY 261.2bn
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 90.4bn → JPY 45.2bn (based on the closing prices of Feb. 25, 2016)

(Shareholding of the SBI Group: 50.0%)

Estimation of the valuation is as follows:

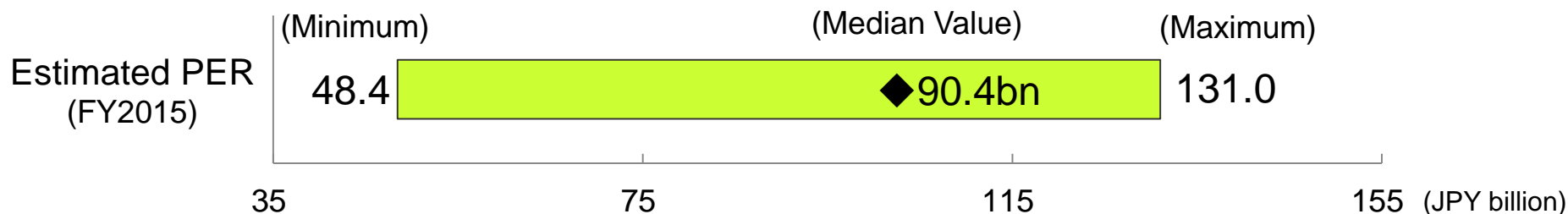
Calculated according to the **Comparable Public Company Analysis**

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 41.0bn** (based on the closing price of Feb. 25, 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 25.9bn

→ JPY 13.7bn (based on the closing prices of Feb. 25, 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 23.4bn** (based on the closing price of Feb. 25, 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	6.2	1.4

(Based on the closing price of Feb. 25, 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 Feb. 25, 2016)

Upon comparison with similar listed companies calculated conservatively as **JPY 324.5bn**

② SBI Sumishin Net Bank

(based on the closing prices of Feb. 25, 2016)

Estimated the valuation of SBI Sumishin Net Bank that has high growth potential in terms of profitability and scale at JPY 90.4bn → **JPY 45.2bn** (Shareholding of the SBI Group: 50.0%)

③ SBI Liquidity Market (cons.)

(based on the closing prices of Feb. 25, 2016)

Upon comparison with similar listed companies calculated as **JPY 41.0bn**

④ SBI Japannext

(based on the closing prices of Feb. 25, 2016)

Upon comparison with similar listed companies estimated the valuation at JPY 25.9bn → **JPY 13.7bn** (Shareholding of the SBI Group: 52.8%)

⑤ SBI Comparison Website Business

(based on the closing prices of Feb. 25, 2016)

Upon comparison with similar listed companies calculated as **JPY 23.4bn**

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 1.4bn**
(based on the closing prices of Feb. 25, 2016)

Total of the valuation above: JPY 449.3bn (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. 104

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 183.3bn

<Reference>

JAFCO's Market Cap: **JPY 150.7bn** (based on the closing price of Feb. 25, 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 Feb. 25, 2016)

(* Valuation excluding assets such as securities hold) Approx. JPY 8.1bn

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 Feb. 25, 2016)

Estimates the valuation of SBI Savings Bank at JPY 72.4bn

→ JPY 71.7bn

(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	25.3	12.5
SBI AXES	42.8	Consolidated subsidiary	KOSDAQ of KRX	6.5*	2.8
SBI Investment KOREA	43.9	Equity method associate	KOSDAQ of KRX	8.1*	3.6
Sum of the market cap of listed subsidiaries and equity method associates				39.9	<u>18.9</u>

(Based on the closing price of Feb. 25, 2016. *Calculated by the exchange rate as of Feb. 25, 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. (%)
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 75.3bn

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.

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