

Financial Services Business

The Financial Services Business is benefiting from a favorable business environment.

Principal Companies in the Financial Services Business

SBI Holdings, Inc. (Financial Services Business Division)

Morningstar Japan K.K.

Hercules Market of Osaka Securities Exchange (code: 4765): Ratings information on financial products centering on investment trusts

Gomez Consulting Co., Ltd.

Hercules Market of Osaka Securities Exchange (code: 3813): Business support and evaluation of e-commerce (EC) websites

SBI VeriTrans Co., Ltd.

Hercules Market of Osaka Securities Exchange (code: 3749): Provision of electronic settlement services for EC businesses

SBI Mortgage Co., Ltd.

Provision of long-term fixed-interest securitization housing loans

SBI Equal Credit Co., Ltd.

Non-collateralized consumer loans for individuals, loans to business owners

SBI Lease Co., Ltd.

Comprehensive lease services, specialized in IT fields

SBI Technology Co., Ltd.

Provision of account aggregation software "Money Look" and IT solutions for financial institutions

Benefiting from the Shift "from Savings to Investment," Morningstar Japan K.K. is Achieving Favorable Results

Morningstar Japan is engaged in advertising for financial and other products through its Internet site, and secured large increases in page views (PVs) and users thanks to its growing brand recognition. During the six-month interim period from January through June 2006, Morningstar Japan recorded 46.9 million page views, up 119.6% from the same period of the previous year, and secured 4.5 million users, an increase of 57.9%.

Gomez Consulting, a Morningstar Japan subsidiary that offers e-commerce site evaluations and rankings as well as business support, listed on the Hercules market of the Osaka Securities Exchange on August 16, 2006.

Accelerating Growth of SBI VeriTrans Co., Ltd. and Marketplace Business Fuelled by the Advance of Broadband

SBI VeriTrans, providing online settlement solutions, recorded steady growth in business in tandem with the continued expansion of e-commerce (EC) and credit card markets. Underscoring these solid results, the number of transactions in SBI VeriTrans' settlement platform business in the fiscal year ended March 2006 rose 46.8% from the previous fiscal year to 21.25 million transactions. Moreover, the number of outlets using these settlement platforms grew to 2,219 at the end of June 2006.

Additionally, SBI VeriTrans is focusing on expanding earnings over the medium and long term through such measures as establishing alliances with affiliate (results-based remuneration) advertising companies and commencing support services for attracting customers to new EC sites.

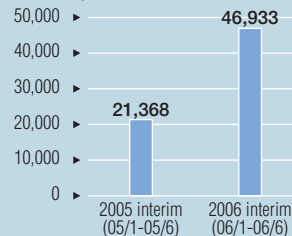
In our marketplace business, we operate websites that provide insurance and loan product comparison and estimate services. During the fiscal year, we expanded the number of our affiliated companies while achieving steady increases in the number of users of our variety of services, primarily for our mainstay financial comparison websites "InsWeb" and "E-LOAN," and carried out estimate and other transactions for approximately 800,000 users during the year.

Utilizing our know-how in the operation of financial-related sites, which have grown to become the best-in-class in Japan, we will expand and upgrade our service lineup and strengthen our business foundation through measures that include steadily opening new sites in both financial and non-financial fields. Additionally, we will provide content and high value-added information to major portal sites, as we work to further increase our name recognition, and expand the number of users.

Page Views and Visitors Surge as Morningstar Enhances Brand Names

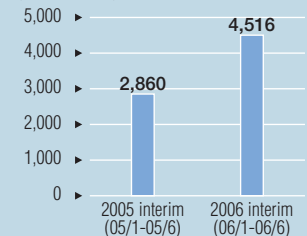
Page views

(1,000 page views)



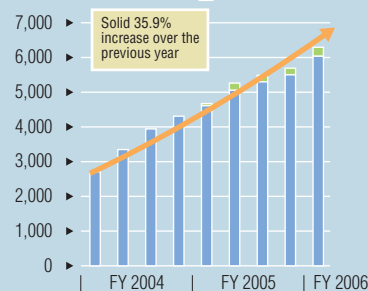
Number of users

(1,000 visitors)



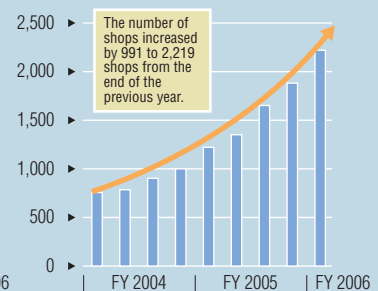
Transactions Trends for SBI VeriTrans

(1,000 Transactions)



E-Commerce Shop Trends for SBI VeriTrans

(Shops)

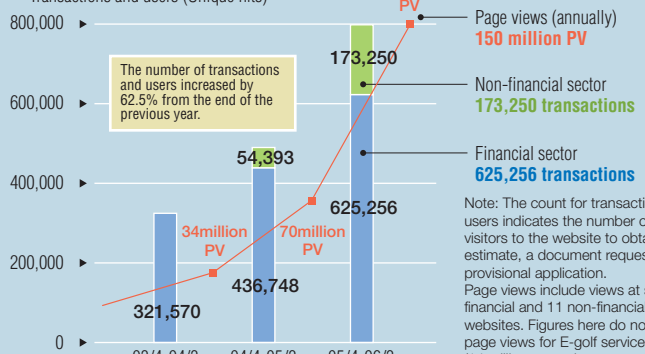


Steady Performance for Marketplace Business

Steady expansion in the number of transactions and users and the number of participating companies reaches over 1,300

The non-financial sector is showing steady performance in transactions, number of users and page views.

Transactions and users (Unique hits)



Note: The count for transactions and users indicates the number of unique visitors to the website to obtain a total estimate, a document request, or a provisional application. Page views include views at six financial and 11 non-financial websites. Figures here do not include page views for E-golf service website (14 million page views per month).

Rapid Growth of SBI Mortgage Co., Ltd. Supported by System Reforms for Housing Loans

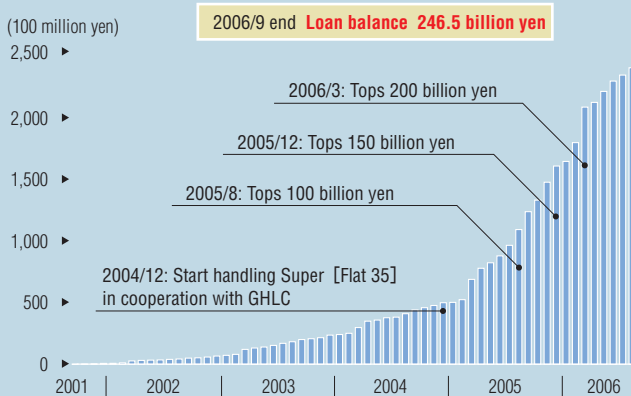
Continually providing long-term, fixed-interest housing loans with the industry's lowest level of interest rates, SBI Mortgage has recorded sharp growth in its housing loan execution balance, consisting mainly of the "Flat 35" loan (fixed-interest housing loans for 35 years, with effective interest rate of 2.781% in October 2006) promoted in cooperation with the Government Housing Loan Corporation (GHLC). After reaching ¥100 billion in August 2005, SBI Mortgage's housing loan execution balance surpassed ¥200 billion just seven months later and rose to ¥246.5 billion at the end of September 2006. SBI Mortgage plans to steadily increase its housing loan execution balance in the run-up to the transfer of GHLC's operations to an independent housing finance support organization, called the Japan Housing Finance Agency, in April 2007.

To strengthen its sales structure, SBI Mortgage has built a housing distribution loan system, formed alliances with 12 independent life insurance agencies across Japan and is focusing on expanding the number of its bases as it works to secure new sources of earnings.

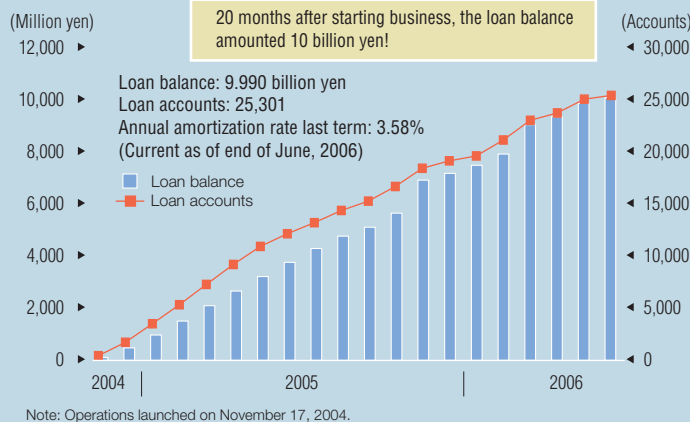
SBI Equal Credit Co., Ltd. Achieves Monthly Profitability as Competitors' Record Earnings Declines

The loan balance of SBI Equal Credit, which provides loans to consumers and business operators, has reached approximately ¥10 billion after just 20 months since starting operations. Moreover, SBI Equal Credit has achieved profitability on a monthly basis at a time when competing companies are reporting declines in earnings. Amid deliberation about lowering the upper limit of interest rates under the Capital Subscription Law, SBI Equal Credit aims to establish a diversified earnings structure by building a business model to provide automated screening systems through Application Service Providers (ASPs) and in turn receive incurring fee income from the ASPs.

Fast Growth for SBI Mortgage's Housing Loan Business



SBI Equal Credit Loan Performance

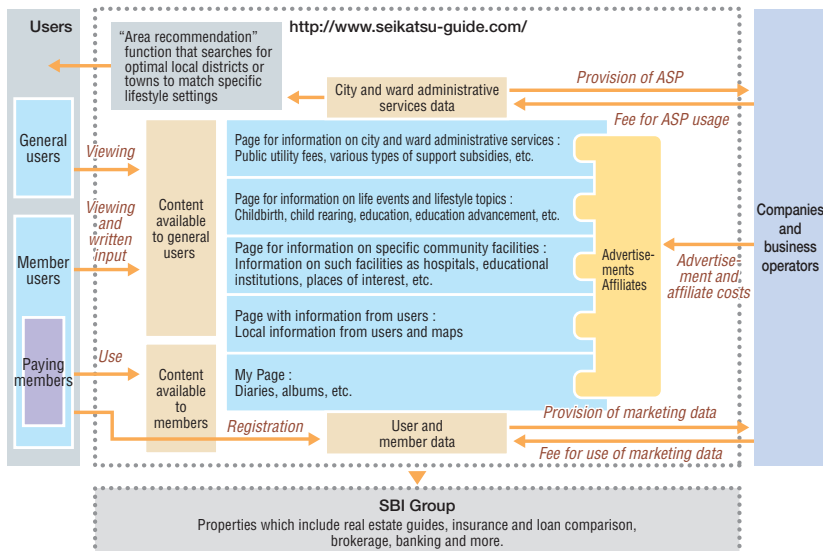


Lifestyle Networks Business

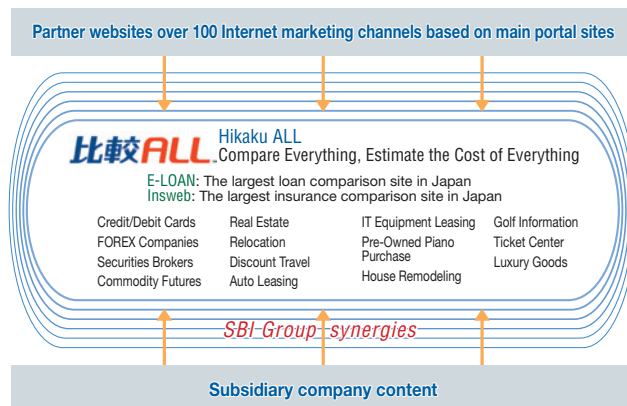
As one of the SBI Group's new core businesses, we have launched the full-scale operation of our Lifestyle Networks Business consisting mainly of the operation of "SeikatsuGuide.com" (<http://www.seikatsu-guide.com/>), a public services comparison website, as well as "Hikaku ALL" (<http://www.hikakuall.jp>), a comprehensive comparison website.

"SeikatsuGuide.com" Community-based Site for Local and Lifestyle Information

This community-based site for local and lifestyle information utilizes local and government administrative services information as its base. The site provides an assortment of local lifestyle- and facility-related information as well as information on life-related events, plus enables user participation by allowing information to be added and shared.



"Hikaku ALL," a Portal Site for Comparisons and Estimates



SBI Mortgage's Network

SBI Mortgage has bases at 46 locations throughout Japan that can handle housing loan applications and contracts. SBI Mortgage will further expand its network of bases in Japan in the future as it offers customers highly focused services.

