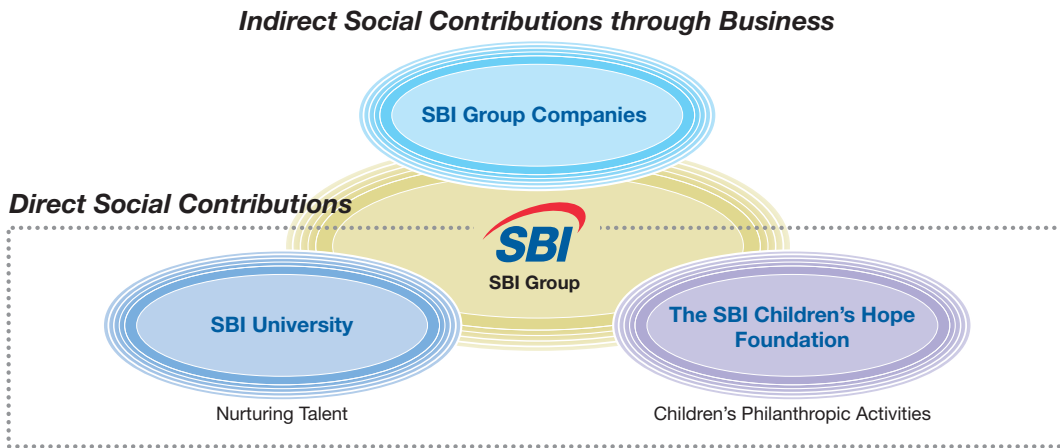


SBI Group

The Three Pillars of the SBI Group's Social Contributions



Approach to Nurturing Human Capital

The SBI Group strives to produce “promising personnel,” or individuals who will eventually play important roles in leading Japan’s future. The “promising personnel” that we endeavor to nurture are not individuals who only contribute to the profits of one division or one company. They are those individuals who have a strong desire to contribute widely to the economy and society, possess a high level of expertise in business, maintain an international perspective and have concrete ethical values with a sense of boldness associated with firm capabilities for taking action.

Commencing the Hiring of New University Graduates

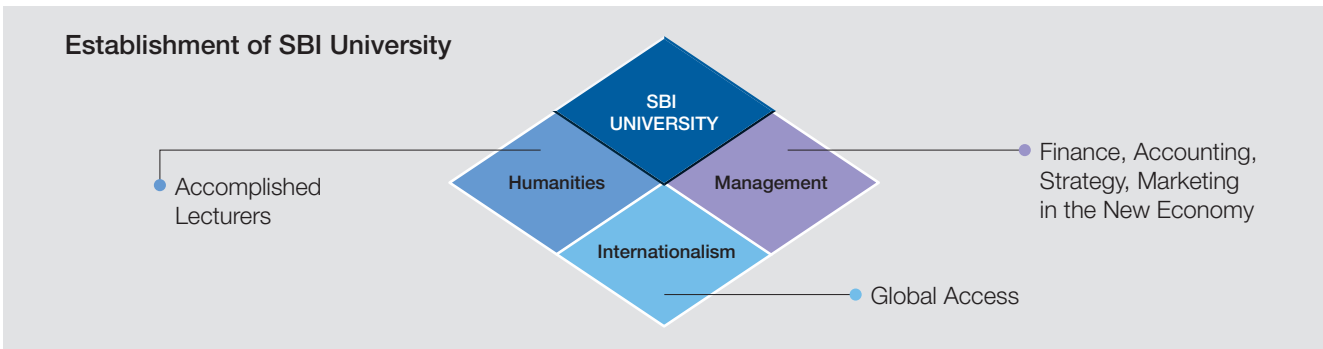
Until recently, the SBI Group focused mainly on hiring experienced individuals who were not averse to changing jobs in mid-career. In spring 2006, the SBI Group hired 42 new university graduates to secure a pool of outstanding candidates for positions as top managers, who in the future will lead the SBI Group as it continues to rapidly expand the scope of its business. In doing so, the SBI Group will nurture the talent of these individuals so that they will eventually inherit SBI’s unique corporate culture as well.

“intellectual education” involving the cramming of knowledge, SBI University emphasizes “moral ideals” focused on polishing the individual’s humanity. The university’s educational programs will incorporate leading-edge business management knowledge, and provide opportunities for “real learning,” equivalent to practical learning.

We are also soliciting course participants with high motivation and desire from a wide range of areas outside the Company. Instead of through the absorption of knowledge, the university aims to cultivate “promising personnel” through mutual dialogue and learning among people with a diversity of backgrounds and personalities, including between instructors and students and between students themselves.

Establishment of an Open University

In May 2006, we established SBI University Co., Ltd. as a new method of “schooling in ideals” utilizing the Internet. Instead of



CSR Initiatives

The SBI Group recognizes that it is a member of society and is able to operate its businesses only because of the very existence of society. Therefore, if a company does not contribute to the sustained development of society, that company is unable to exist as a going concern. For this reason, to be a “highly respected company”, the SBI Group maintains a strong awareness of the “social nature of companies” and proactively undertakes corporate social responsibility (CSR) activities.

Basic Values of “Shin”(信)(Earning Trust and Reliability), “Gi”(義)(Executing Operations Properly) and “Jin”(仁)(Direct Contribution to Society) Permeate All Businesses of the SBI Group

The companies of the SBI Group are committed to pursuing the commercialization of businesses based on a sense of social justice. The foundation of our businesses is not based on earning profits but on the belief that we should contribute to the “realization of a society that is fair, comfortable, environmentally-

aware and safe.”

We also carry out our CSR activities in accordance with our own “three basic values” that are based on the aforementioned beliefs.

SBI Group’s Direct Social Contributions

As for direct social contributions, our basic policy is to contribute a reasonable level of our profits to such facilities as child welfare facilities.

On October 6, 2005, we established The SBI Children’s Hope Foundation to provide support for children, the weakest members of society, who have been abused, as well as to carry out activities to prevent child abuse.

January 2002

Basic policy decided by Board of Directors of SOFTBANK FINANCE CORPORATION

Group companies that record ¥300 million or more in net income will contribute around 1% of this amount to the Children’s Social Welfare Corporation.

July 2004

Contribution activities begin

The SBI Group donated approximately ¥167 million to 173 children’s homes and welfare organizations throughout Japan.

December 2004

Established SBI Child Welfare Limited Liability Intermediate Corporation

In addition to donations from each SBI Group company, SBI became the first company in Japan to make use of stock options and securities as donations from supporters.

October 2005

The SBI Children’s Hope Foundation was established upon receiving approval for establishment from the Ministry of Health, Labour and Welfare.

“Shin”(信)—Earning Trust and Reliability

- Strengthen our internal audit system
- Strengthen corporate communication
- Protect personal information
- Promote open employment opportunities and fair treatment

“Gi”(義)—Executing Operations Properly

- Pursue a total customer-centric business model
- Create and foster new industries
- Offer innovative financial services
- Promote businesses that will benefit society

“Jin”(仁)—Direct Contribution to Society

- Improve child welfare through foundation activities
- Support research in the field of medicine

Increasing Activities through The SBI Children’s Hope Foundation

Donations	Social contribution budget (million yen)	Amount (million yen)	Number of donations (facilities)
FY2004 (SBI Group activities)	¥167	¥167	173
FY2005 (Foundation activities)	¥200	¥155	105
FY2006 (Foundation activities)	¥380	(under consideration)	(under consideration)

Corporate Governance

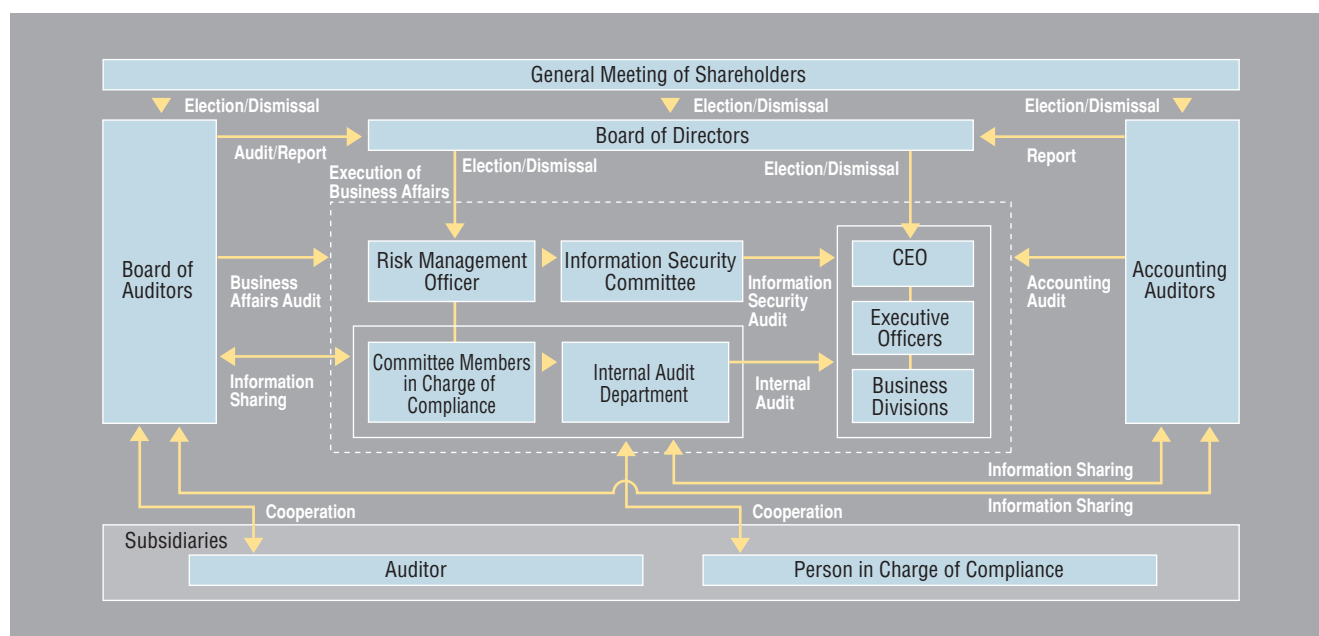
To enhance management transparency and corporate governance, SBI recognizes that one of its most crucial management tasks is to build and maintain an organizational structure capable of responding quickly to changes in the business environment as well as a fair management system that emphasizes the interests of shareholders.

Basic Framework for Corporate Governance

SBI Holdings' Board of Directors consists of 13 directors (as of June 29, 2006), and the Company has adopted the Executive Officer System to clarify the functions and responsibilities of directors and the Board of Directors. Currently, 5 executive officers manage the execution of business affairs. These officers include the CEO, COO and CFO as well as two executive officers who manage each business division. By differentiating functions in this manner, SBI Holdings has built a flexible structure for executing business affairs that also facilitates quick

responses to changes in the management environment.

As a general rule, the Board of Directors convenes once per month to decide on important matters and to monitor the status and progress regarding the execution of business operations. With four corporate auditors, we strive to further reinforce the effectiveness of our corporate governance by systematically combining various types of audits by the accounting auditors, corporate auditors and Internal Audit Department.



Initiatives for Strengthening Corporate Governance

Establishment of an Internal Control Structure

Recognizing the importance of executing its business under a sound internal control system, SBI Holdings has established and is operating an internal control structure that enhances management transparency and corporate governance.

As a vital facet of this internal control structure, the Company has established an internal auditing structure that ensures thorough compliance with laws and ordinances and ethics behavior, which are prerequisites for realizing its Management Principles and Management Vision. Specifically, to promote smooth communication among directors while overseeing the execution of duties by representative directors

based on regulations prescribed by the Board of Directors, as a general rule, regular meetings of the Board are convened once a month and extraordinary meetings are held when necessary. Additionally, we have selected officers in charge of compliance and established the Internal Audit Department as the department with direct jurisdiction. To identify issues and problems concerning the SBI Group's compliance and to ensure business operations are carried out appropriately, officers in charge of compliance at SBI Holdings working together with officers responsible for compliance of the SBI Group, have set up conferences to exchange information on compliance for the entire SBI Group.



At meetings of the Board of Directors, individual directors exchange information regarding the respective SBI divisions and the SBI Group companies they manage, which enables us to pursue even more extensive Group synergies.

Establishment of a Risk Management Structure

SBI Holdings strives to ascertain and appropriately evaluate and monitor any risks that could impede the execution of business or prevent us from realizing our Management Principles and Vision. These efforts include appointing a risk management officer as the person in charge of risk management based on related regulations stipulated by the Board of Directors.

In the event of any potential or actual management crisis threatening our continued existence, the risk management officer, as the person with overall responsibility, will gather pertinent information and consider and implement countermeasures and measures to prevent reoccurrences, while reporting on the situation to relevant institutions and disclosing information.

SBI Holdings has established a structure for the overall management of information, including customer information, and is strengthening its information management functions. As part of these efforts, we established the Information Security Committee composed of members appointed from each division, with the risk management officer serving as the committee chairman. We are also responding to computer system risk by building a structure, including redundant systems and backup structures at multiple locations, which allows us to respond to any type of contingency.

Audits by the Corporate Auditors, Internal Audits and Accounting Audits

The Board of Corporate Auditors receives explanations from the accounting auditors on the annual auditing plan and other matters based on the Audit Report at the time of interim and full-year settlements. When necessary, the Board of Corporate Auditors also shares information and engages in discussions with the accounting auditor and the Internal Audit Department.

The Internal Audit Department audits the execution of duties by the directors, working to prevent any violations of laws, ordinances or the articles of incorporation, if necessary in cooperation with external specialists. Also, when needed, the Internal Audit Department shares information with the Board of Corporate Auditors and the accounting auditors regarding management-related issues or problems.

Initiatives during the Past Year to Upgrade Corporate Governance

Responding to growth in the scope of our business, we increased the number of directors from 9 to 13, thereby strengthening our corporate governance and management functions.

Additionally, to bolster management oversight functions, extensive audits by the corporate auditors have been undertaken based on fiscal year auditing plans, while the Internal Audit Department implemented comprehensive internal audits that included the involvement of external specialists and covered the SBI Group companies. By taking such measures, we have further improved the efficiency of our business affairs and prevented improprieties and errors.

SBI Holdings also takes a proactive approach to disclosing information to investors. After the conclusion of the Ordinary Meeting of Shareholders, the Company holds a meeting to report on the recent state of its business. In addition, following the announcement of our full-year and interim business results, SBI Holdings also holds explanation meetings for individual shareholders in principal cities throughout Japan as well as small meetings for buy-side analysts. Moreover, we post various information in video and other formats on our website, including a brief summary of business results, and press releases in addition to quarterly results explanation meetings and Company explanation meetings for shareholders. Two or three times per month, we also offer the SBI Channel, which uses a streaming video format to provide direct explanations from the CEO about the SBI Group's overall business results and recent topics. As these examples illustrate, we undertake the utmost efforts to convey accurate corporate information to investors.

In August 2006, SBI Holdings received the Privacy Mark from the Japan Information Processing Development Corporation in recognition of SBI's objectively high level of personal information protection.