

# Consolidated Statements of Income

SBI Holdings, Inc. (Formerly SOFTBANK INVESTMENT CORPORATION) and Consolidated Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Year Ended 31st March		<b>Year Ended 31st March, 2006</b>
	2005	<b>2006</b>	
<b>OPERATING REVENUES</b> (Notes 22 and 31)	¥81,512	<b>¥137,247</b>	<b>\$1,168,359</b>
<b>OPERATING COSTS</b> (Note 23)	21,323	<b>37,596</b>	<b>320,047</b>
Gross profit	60,189	<b>99,651</b>	<b>848,312</b>
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b> (Note 24)	35,319	<b>50,056</b>	<b>426,116</b>
Operating income	24,870	<b>49,595</b>	<b>422,196</b>
<b>OTHER INCOME (EXPENSES):</b>			
Interest and dividends income	194	<b>277</b>	<b>2,361</b>
Interest expense	(63)	<b>(563)</b>	<b>(4,793)</b>
Foreign exchange gain—net	107	<b>826</b>	<b>7,027</b>
Gain on sale of investment securities—net	3,868	<b>4,027</b>	<b>34,282</b>
Dilution gain from changes in equity interest (Note 26)	10,569	<b>25,367</b>	<b>215,945</b>
Amortisation of negative goodwill—net	1,973	<b>1,443</b>	<b>12,285</b>
Provision for statutory reserves	(1,177)	<b>(2,420)</b>	<b>(20,604)</b>
Impairment loss		<b>(273)</b>	<b>(2,323)</b>
Other—net	(315)	<b>(1,367)</b>	<b>(11,636)</b>
Other income—net	15,156	<b>27,317</b>	<b>232,544</b>
<b>INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS</b>	40,026	<b>76,912</b>	<b>654,740</b>
<b>INCOME TAXES</b> (Note 25):			
Current	10,360	<b>22,990</b>	<b>195,707</b>
Reversal of the prior year's income taxes	(33)	<b>1,280</b>	<b>10,897</b>
Deferred	(904)	<b>(6,189)</b>	<b>(52,684)</b>
Total income taxes	9,423	<b>18,081</b>	<b>153,920</b>
<b>MINORITY INTERESTS IN NET INCOME</b>	(4,972)	<b>(12,947)</b>	<b>(110,217)</b>
<b>NET INCOME</b>	¥25,631	<b>¥ 45,884</b>	<b>\$ 390,603</b>
	Yen		U.S. Dollars
<b>PER SHARE OF COMMON STOCK</b> (Notes 2.w and 30):			
Basic net income	¥3,579.29	<b>¥4,957.08</b>	<b>\$42.20</b>
Diluted net income	3,280.47	<b>4,627.04</b>	<b>39.39</b>
Cash dividends applicable to the year	350	<b>600</b>	<b>5.11</b>

See notes to consolidated financial statements.