




SBI Group at a Glance

As of June 30, 2006, the SBI Group consisted of SBI Holdings, Inc., as well as 38 consolidated subsidiaries, and 12 equity-method affiliates.

The SBI Group carries out its business, mainly in financial-related fields, centered around three core businesses: Asset Management, primarily the funds management business; Brokerage & Investment

Segment Ratio of Operating Revenues to Total Consolidated Operating Revenues (as of March 31, 2006, %)	Business and Principal Activities (as of June 30, 2006)	Company (shares held including indirect holdings, as of June 30, 2006)
<p>Asset Management</p>  <p>27.6%</p>	<p>Management and operation of limited liability partnerships Establishment, management and operation of funds related to the Internet, biotechnology, broadband and media</p> <p>Investment in domestic and overseas venture companies Investments mainly in domestic and overseas Internet, biotechnology, broadband and media venture companies using proprietary accounts of SBI Holdings and its consolidated subsidiaries</p> <p>Housing and Real Estate Investment in real estate properties that are expected to increase in value, development of real estate with anticipated development profit, formation and operation of funds focused on real estate, and investment in venture businesses involved in real estate</p> <p>Investment advisory services Provision of advice and discretionary investment management based on the Japan Investment Advisory Law</p>	<p>SBI Investment Co., Ltd. (100%) SBI BROADBAND CAPITAL K.K. (100%) Soft Trend Capital Corporation (80%) SBI CAPITAL Co., Ltd. (100%) SBI Capital Solutions Co., Ltd. (100%)</p> <p>SBI Holdings, Inc. SBI KOREA HOLDINGS CO., LTD. (100%)</p> <p>SBI Holdings, Inc. (Real Estate Business Division) SBI Planners Co., Ltd. (100%) ZEPHYR Co., Ltd.* (21.4%) [TSE/8882]</p> <p>SBI Asset Management Co., Ltd. (100%)</p>
<p>Brokerage & Investment Banking</p>  <p>58.4%</p>	<p>Securities and commodity futures Provision of such financial products as securities and commodity futures to meet a wide range of investor needs; execution of investment banking operations such as underwriting IPOs and corporate bonds utilizing customer-gathering and sales capabilities in the brokerage business</p>	<p>SBI E*TRADE SECURITIES Co., Ltd. (53.0%) [JASDAQ/8701] SBI Securities Co., Ltd. (100%) SBI Futures Co., Ltd. (62.1%) [Hercules/8735] E*Trade Korea Co., Ltd. (87%)</p>
<p>Financial Services</p>  <p>14.0%</p>	<p>Marketplace, financial products and financial solutions Engaged in a wide range of financial services businesses that include the operation of loan and insurance product comparison websites; provision of financial products and services such as home loans and loans and leases for individuals and businesses as well as settlement services; development of financial software; provision of evaluations of investment trusts and consulting</p> <p>Lifestyle Networks Constructed network that responds to needs related to lifestyle events and individual scenarios, mainly through the operation of comparison, search and cost estimate portal sites, like "SeikatsuGuide.com," which provides a comparison of public services, as well as "HikakuALL," a general comparison and price estimate site; provision of assistance in selecting the best products and services to support the purchasing activities of customers</p>	<p>SBI Holdings, Inc. (Financial Services Business Division) SBI Mortgage Co., Ltd. (81.2%) SBI Equal Credit Co., Ltd. (100%) SBI Lease Co., Ltd. (100%) SBI VeriTrans Co., Ltd. (40.6%) [Hercules/3749] SBI Technology Co., Ltd. (94.9%) Morningstar Japan K.K. (49.92%) [Hercules/4765] Gomez Consulting Co., Ltd. (84.9%) [Hercules/3813] CANOW CO., LTD.* (49%) SOLXYZ Co., Ltd.* (21.5%) [JASDAQ/4284] NEXUS Co., Ltd.* (23.4%) [JASDAQ/2799]</p> <p>SBI Holdings, Inc. (Lifestyle Networks Business Division)</p>

*Equity-method affiliate

Note: SBI Investment Co., Ltd. changed its name from SOFTBANK INVESTMENT CORPORATION as of October 1, 2006.

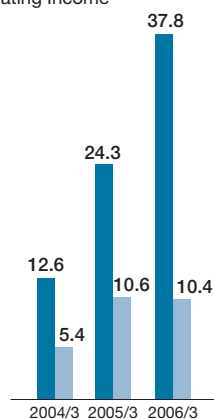
Banking, mainly the securities business; and Financial Services, which provides an array of innovative financial services—from securitized home loans to insurance and beyond. The SBI Group is evolving towards a business structure consisting of five core businesses with the addition of the Housing and Real Estate Business and the Lifestyle Networks Business, as we integrate both financial and non-financial sectors.

Operating Results

(as of March 31, 2006) (unit: billion yen)

Highlights of Fiscal Year Ended March 31, 2006

■ Operating Revenues
■ Operating Income



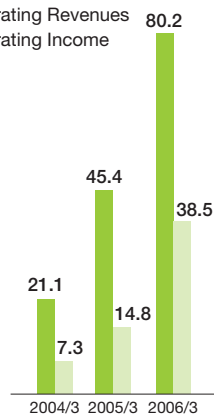
Outstanding Fund Management Performance

- Our previously established funds are steadily accumulating dividends as they approach redemption. Total distributions to March 31, 2006 for funds managed during the fiscal year amounted to ¥81.8 billion. During the next one-year period, the SBI Group expects to make additional distributions of ¥200 billion from its principal funds.
- The total current net asset value of the SOFTBANK INTERNET TECHNOLOGY FUND at the end of March 2006 was ¥277.5 billion, approximately 1.8 times greater than the initial contributed capital of ¥150.5 billion.
- From April 2005 through the end of March 2006, nine investee companies went public (including those through M&A).
- Softbank Bond & Private Equity Funds I and II, managed by SBI Asset Management, were redeemed at approximately two times their initial base price, and Softbank Bond & Private Equity Fund I earned the “Most Excellent Fund Award” at the Lipper Fund Awards Japan 2006.

Size of Managed Funds Continues to Grow

- With IT as our principal investment field, the scale of asset management for the entire SBI Group, which includes biotechnology, enterprise revitalization and investment trust advisory services, expanded to ¥559.0 billion as of the end of March 2006.

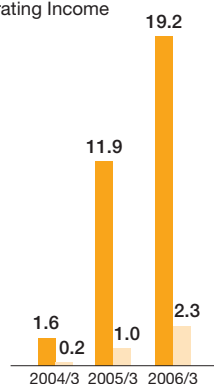
■ Operating Revenues
■ Operating Income



SBI E*TRADE SECURITIES Has Overwhelming Dominance in the Online Securities Industry

- SBI E*TRADE SECURITIES, the largest online securities company in Japan in terms of number of customer accounts, brokerage trading value and client assets, posted record-high consolidated operating revenues of ¥60.2 billion, up 122% from the previous year, as well as all-time-high consolidated ordinary profit of ¥30.0 billion, representing an increase of 165%. The consolidated ordinary profit ratio in the fourth quarter was 53.7%.
- In the fiscal year ended March 31, 2006, the number of new accounts secured was 575,035. The total number of customer accounts surpassed 1.16 million while client assets amounted to ¥4.58 trillion, up 95.8% from the previous fiscal year.
- Reflecting our overwhelmingly extensive customer base, in the fiscal year ended March 31, 2006, our share of the total brokerage trading value for individual investors expanded to 23.1% and grew further to 24.9% in the fourth quarter of the fiscal year. Additionally, our share of the total brokerage trading value for institutional investors surpassed 10% for the first time in the fourth quarter.
- For the entire fiscal year, we underwrote IPOs for 94 companies, achieving a historical high in the industry.
- SBI Securities Co., Ltd. our brick-and-mortar securities business, posted sharp increases in revenue and earnings, as operating revenue increased 50% to ¥16.0 billion and ordinary profit jumped 181% to ¥8.1 billion.

■ Operating Revenues
■ Operating Income



Continued Stable Expansion in Results amid Favorable Operating Environment Contributes to Earnings

- **Marketplace Business**
Primarily through our “E-LOAN” and “InsWeb” financial comparison websites, which have grown to become among the largest in Japan, we recorded steady increases in estimate inquiries and other transactions as well as a rise in the number of affiliated financial institutions. Sales from these two sites amounted to approximately ¥2.9 billion, up 35.6% from the previous fiscal year, and operating profit was approximately ¥1.0 billion, a rise of 39.6%.
- **Financial Products Business**
SBI Mortgage Co., Ltd. achieved strong growth in the “Flat 35” Loan product, which is a securitized 35-year fixed-interest loan from the Government Housing Loan Corporation that is offered at the lowest level of interest rate (effective interest rate of 2.701% in April 2006). The execution balance of housing loans at the end of March 2006 amounted to ¥206.2 billion, up 202.7% from the previous fiscal year.
- **Financial Solutions Business**
SBI VeriTrans Co., Ltd. achieved record-high results in sales and in all profit categories amid the ongoing advance of broadband and expansion of electronic commerce (EC) markets and credit card markets.
- **Others**
Benefiting from the recent trend of individual financial assets flowing from savings toward investments, Morningstar Japan K.K. recorded consolidated operating revenues of ¥1.2 billion, up 24.1%, and consolidated profit of ¥252 million, a rise of 47.4%, for the full-year period ended December 31, 2005.

Figures for operating income in this category are before consolidated eliminations/corporate; therefore, the total figures do not match operating income for consolidated business results.