

As Japan's Leading Venture Capital Firm*, Expanding into Worldwide Investments

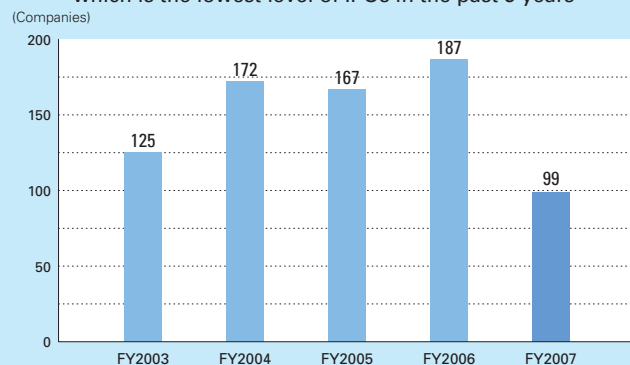
*Based on new investments for the year ended March 2008; ranking prepared by SBI Holdings using information provided by peer companies.

Principal Companies in the Asset Management Business

SBI Investment Co., Ltd. / Venture capital fund management
 SBI CAPITAL Co., Ltd. / Buyout and value up fund management
 SBI Capital Solutions Co., Ltd. / Mezzanine fund management
 SBI Asset Management Co., Ltd. / Investment trust management, investment advisory services
 SBI VEN CAPITAL PTE. LTD. / Venture capital fund management in Singapore for foreign investors

Number of IPOs in Japan on a FY Basis

Less than 100 companies completed IPOs during FY2007, which is the lowest level of IPOs in the past 5 years



Source: Stock exchanges in Japan

The Number of Portfolio Company IPOs and M&A Deals

12 portfolio companies completed an IPO or M&A in FY2007, surpassing the 10 companies for all of FY2006

	From start of operations to March 2006	FY 2006	FY 2007
IPOs and M&A deals	89	10	12

Korean Equity Investment Amount and Proceeds

(Unit: 100 million yen)

	Total equity investment	Proceeds		IRR (%)	
		Total	Sales proceed		
Kyobo Life Insurance (Feb. 2007 - Sept. 2007)	179	216	214	2	43.1

(Amounts are rounded to the nearest ¥100 million)

The SBIH Group continues to make substantial new investments

(Unit: million yen)

	FY2007		(Reference) FY2006	
	New investment amount	Number of investment companies	New investment amount	Number of investment companies
Funds' Investment	96,596	175	74,517	139
Direct Investment	4,444	33	42,581	13
TOTAL	101,040	208	117,098	152
JAFECO	39,094	168	60,305	316

Source : Based on companies materials

In the Asset Management Business, the assets under management continued to increase. With a track record of producing impressive returns, we have earned a solid reputation for reliability and have developed a highly respected brand. Our performance has been further backed by an increasing number of alliances with prominent partners in Japan and overseas. In Japan, we are currently enlarging the scope of our activities adding a new strategic business sector, the environment and energy, along with the existing priority fields of information technology and biotechnology. Additionally, we are increasing our investments outside Japan, primarily in Asian countries with rapidly growing economies.

Japan's Lackluster IPO Market

For the fiscal year ended March 2008, Japan's IPO market was extremely weak. Falling stock prices held the number of IPOs for all Japanese stock markets to only 99, the lowest level in five years.

The difficult environment for IPOs caused a number of our fund portfolio companies in Japan to push back IPOs that were scheduled for the March 2008 fiscal year to the following fiscal year, or later. Despite these adverse developments, there were 12 IPOs among SBIH Group fund portfolio companies, including overseas companies, compared with 10 in the previous fiscal year.

Strong Performance of Asian Investments

The Asset Management Business was able to increase revenues and earnings owing to gains from Asian investments. On the other hand, other Japanese asset management companies experienced weak business performances as stock prices moved lower in Japan.

In September 2007, we sold our entire 4.99% equity stake in Kyobo Life Insurance Co., Ltd., one of South Korea's big three life insurers. Proceeds amounted to ¥21.4 billion, compared with the purchase cost of ¥17.9 billion for the stock in February 2007. Including ¥200 million of dividend income, this transaction produced an extremely high IRR of 43.1%

The New Horizon Fund, which invests in Chinese companies, has performed very well since its May 2005 inception. During the past fiscal year, the fund posted a gain of ¥3.6 billion from distributions and other income.

A Consistently High Level of New Investments

We regard challenging market conditions that cause stock prices to drop as an excellent opportunity to make new investments. Owing to this investment outlook, new investments remained high, totaling ¥101.0 billion in the past fiscal year compared with ¥117.1 billion in the March 2007 fiscal year. There were ¥96.6 billion of investments through funds managed by the SBIH Group and ¥4.4 billion of direct investments through SBI Holdings.

Investments through funds managed by the SBIH Group are not restricted to companies planning IPOs. SBI CAPITAL is concentrating primarily on the establishment and management of buy-out funds that will acquire quality midium size companies with promising growth prospects, including listed companies.

The average IRR is 19.6% for all SBIH Group-managed funds that have been redeemed since 2000. This is far higher than returns at all other major venture capital investment companies in Japan.

SBIH Group's Current Assets Under Management

During the March 2008 fiscal year, the SBIH Group established a new fund that targets information technology and biotechnology, both of which are core investment categories. Also, a new fund was established for investments in companies associated with the environment and energy. Growth in alliances with promising overseas partners has also contributed to the increase in assets of our funds. Owing to these activities, assets in funds managed by the SBIH Group amounted to ¥627.1 billion as of March 31, 2008.

Track Records of Major Japanese Venture Capital Firms (Funds redeemed after 2000)

SBIH		JAFECO		NIF	
Fund IRR	IRR	Fund IRR	IRR	Fund IRR	IRR
SOFTBANK Ventures SV Angel '96 Profit-Participation Bonds *1	20.5	JAFECO No.6	0.0	NIF Global Ventures	4.1
SOFTBANK Ventures Fund No. 2 *2	20.4	JAFECO G-3 *3	—	NIF #7	1.1
SBI-LBO Fund No.1	18.3	JAFECO G-4 *3	—	NIF #8	3.4
Enterprise Restructuring Fund No.1	25.7	JAFECO R1(A)(B)	1.2	NIF #9	0.5
VR Enterprise Restructuring Fund	27.7	JAVP2	3.2	NIF10-A	3.0
SOFTBANK Content Fund	5.0	JAFECO G-5	4.2	NIF10-B	3.0
Average	19.6	JAFECO R2	4.4	ML-NIF1	5.4
		JAFECO R3	12.9	NIF #11	1.9
		JAFECO G6 (A)(B)	10.9	Average	2.8
		Average	5.3		

*1 The original general partner of Softbank Ventures SV Angel '96 was Softbank Ventures, which is now SBI Investment.

*2 The original general partner of SOFTBANK Ventures Fund No. 2 was Softbank Investment, which is now SBI Investment.

*3 The IRR is not announced because it is negative.

Source : Based on companies materials

Assets under Management of the SBIH Group

AUM of the SBIH Group amounted to 627.1 billion yen (incl. Real estate and others)

Private equity	total:279.6 billion yen	(Environment/Energy)	7.4
(IT/Biotechnology)	Total:120.5	(Buyout/Mezzanine)	Total:34.8
Internet	5.0	Value Up	23.4
Broadband/Media	64.4	Mezzanine	11.3
Mobile services	29.2	(Overseas)	Total:91.5
Biotech/Others	21.8	China/ Hong Kong	71.6
(Direct investment)	25.5	Vietnam*1	9.9
		India*2	10.0
(Investment trusts,others)	Total:301.5	(Real estate, others)	Total:46.0
Investment trusts	57.7	Development	16.1
Investment advisory	240.8	Completed properties	29.9
Investment companies	3.0		

Figures for real estate investments and investment trusts and others are net assets at market value as of end Mar. 08. Figures for other funds are net assets at market value based on the most recent financial report for each fund as of end Mar. 08.

*1 Established on Apr. 3, 2008. *2 Established on Apr. 29, 2008

The Full-scale Launch of Overseas Fund Operations in 2008



Country	Fund	Partners	Portfolio	Contributions (US\$ millions)
China	New Horizon Fund	TEMASEK	Privately owned companies	100 (SBI Holdings: 50%)
	Tsinghua University Fund	Tsinghua Holdings	Privately owned companies in China	30 (SBI Holdings: 50%)
	Peking University Fund	Peking University Beida Jade Bird	Companies and real estate	100 (SBI Holdings: 50%)
Russia	SBI-METROPOL Investment Fund	IFC METROPOL	Manufacturing, consumer goods, services, retailing, logistics and distribution, energy and natural resources	100 (maximum of 500) (SBI Holdings: 50%)
India	India Japan Fund	State Bank of India	Privately owned companies in India	100 (SBI Holdings: 95%)
Vietnam	Vietnam Japan Fund	FPT	Privately owned companies in Vietnam	100 (SBI Holdings: 90%)
Asia	SBI SOI Fund	Keio University	Venture companies originating from Asian universities	¥500 million (SBI Holdings: 100%)