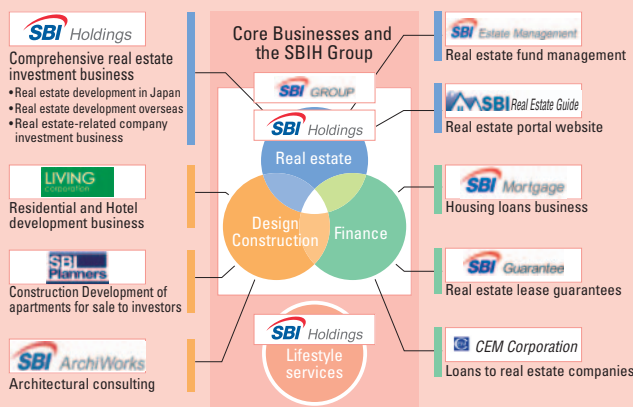


Looking beyond Finance to Target Growing Market Sectors as a New Core Business of the SBIH Group

Principal companies in the Housing and Real Estate Business

SBI Holdings, Inc. (Real Estate Business Division) / Mainly real estate investments and development projects in Japan and overseas markets
 SBI Holdings, Inc. (Lifestyle Networks Business Division) / Operation of websites for comparisons, searches and estimates for a variety of products and services
 SBI Mortgage Co., Ltd. / Provision of long-term fixed-interest securitized housing loans
 LIVING Corporation / Mothers Market of TSE (code 8998); Development, planning, design and sales of income-producing properties for investors
 SBI Planners Co., Ltd. / Architecture, construction, property design and consulting for real estate purchases and financial planning
 CEM Corporation / Provision of real estate-secured loans for individuals and companies
 SBI ArchiQuality Co., Ltd. / Provision of housing quality evaluation

Structure of the SBIH Group Housing and Real Estate Business



The development of buildings for sale to investment funds provided a significant contribution to the performance of the Housing and Real Estate Business. Overall, this business achieved a 213% increase in operating revenues to ¥75.1 billion, and a 584% increase in operating income to ¥8.1 billion for the fiscal year ended March 2008.

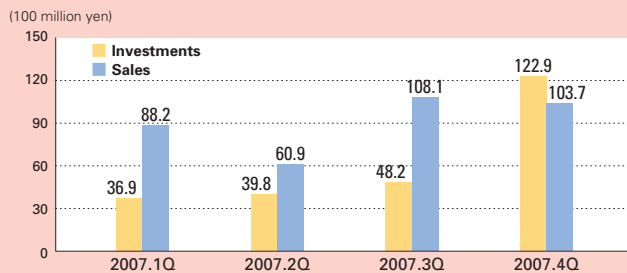
The Real Estate Investment and Development Business

The real estate business of SBI Holdings primarily involves the well-timed purchase of properties where value can be increased. As part of this value creation process, we perform real estate development, fund management, property management and other activities. We are very active in Japan as well as in other countries. Outside of Japan, locating, acquiring and managing properties in China, Vietnam and other countries with rapidly growing economies is our primary goal.

(1) Real estate development projects in Japan

Residential buildings, hotels, commercial facilities, and warehouses account for a large share of real estate development operations in Japan. Most projects are located in government-designated cities, which are primarily in the Tokyo area. We handle every step of the development process: planning, purchase of land, building design and construction, and sale of the completed building. Offering this all-inclusive approach allows us to add value from start to finish for every project.

SBI Holdings Real Estate Division Quarterly Investments and Sales



Kanayama rental condominium building (Nagoya) | Fukuoka Momochihama Hotel (Fukuoka) | Commercial building in Kagoshima

Development of hotel and condominium in Waikiki

Demand for residential properties is rising rapidly in Hawaii, owing to the large number of tourists and others who want to enjoy the beauty of the Hawaiian Islands. SBI Hawaii Property One, Inc. was established in September 2006 as a wholly owned subsidiary of SBI Holdings for the purpose of developing a hotel and condominium building in the Waikiki district of Honolulu.



(3) Overseas real estate investments

The overseas real estate investment business acquires and holds high-return office buildings, and other existing buildings in countries with rapidly growing economies. This business also invests in real estate development funds.

(4) Track record of private equity real estate funds

Our real estate fund management business utilizes strengths rooted in the SBIH Group's venture capital activities to manage an open fund called the SBI Private Equity Real Estate Fund (aka "Four-leaf Clover"), which invests including the stock of privately owned companies. The fund is performing well with a return of 12.51%* in its second fiscal period.

*Performance per investment unit = Fiscal period fund earnings/Total assets
 Return is annualized and rounded to the hundredths place. First fiscal period return is an annualized figure assuming that the actual performance (2.33% return for 123 days) would have continued for an entire year.

The Housing Loan Business of SBI Mortgage

SBI Mortgage has consistently offered long-term, fixed-rate housing loans at the lowest level of interest rates of any mortgage lender in Japan. The core product is "Flat 35," a loan extended in conjunction with the Japan Housing Finance Agency. Backed by the popularity of this loan, loans outstanding at SBI Mortgage have been rising steadily, reaching ¥365.1 billion at the end of March 2008 and ¥381.1 billion at the end of June 2008. SBI Mortgage plans to establish a nationwide network of franchised SBI Housing Loan shops. The first franchised shop opened in February 2007, by the end of March 2008 there were 22 shops, and 38 shops by the end of June 2008, with a total workforce of about 230 employees.

SBI Mortgage was established in 2001 as Japan's first mortgage bank. Since then, the company has relied primarily on the Internet to sell its loans directly to borrowers. The company plans to continue its Internet activities while expanding its network of shops in order to sell various types of financial products in addition to housing loans.

The Lifestyle Networks Business

SBI Holdings' Lifestyle Networks Business encompasses services for all significant events during one's life, including marriage, raising a family, purchasing a home, and many other activities. We are assembling a network that can serve not only financial needs, but also a diverse spectrum of needs in other fields that arise from significant events during one's life.

The Internet Media Sector operates life related comparison websites that allow visitors to perform searches and comparisons. One very popular website, "Hikkoshi Tatsujin Select," that is accessible from computers and cell phones provides easy comparisons of moving companies and estimates for moving expenses. The Intermediary Market Sector operates websites that serve as an intermediary for the purchase and sale of tickets to concerts and other events as well as merchandise. Performance benefited from the addition of several payment methods and a high volume of transactions using SBI Holdings' "Ticket Ryutsu Center" and "muSBI" free market websites. Both sectors became profitable, and the combined operating income for fiscal year ended March 2008 reached approximately ¥200 million.

Acquisition of office building in central Macau Island

Macau's economy has been fast growing following its September 2006 designation by China as a Special Administrative Region. Wholly owned subsidiary SBI MACAU HOLDINGS LIMITED is participating in this growth by investing in office buildings, and the company completed the sale of these buildings in April 2008.



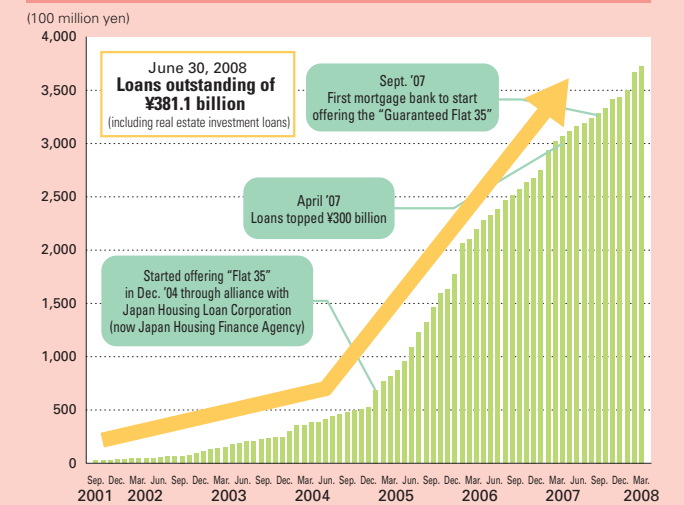
Public Real Estate Fund

SBI Private Equity Real Estate Fund (Quarterly Distributions) No. 1
 Nickname : Four-leaf Clover
 Total assets : No more than ¥15 billion

	First fiscal period (July '06 to Oct. '06)	Second fiscal period (Nov. '06 to Oct. '07)
Annual return per investment unit	6.93	12.51

(Unit: %)
 About twice as high than in prior period

Growth in Loans Outstanding at SBI Mortgage



Steady Growth of Lifestyle Networks Business

