

SBI HOLDINGS, INC.

(Incorporated in Japan with limited liability)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED MARCH 31, 2015

Japan, May 12, 2015

The board of directors of SBI HOLDINGS, INC. (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended March 31, 2015.

(Amounts are rounded to the nearest million Japanese yen)

1. Consolidated Financial Results

(1) Consolidated Operating Results

(Percentages represent year-on-year changes)

	Operating revenue		Operating income		Profit before income tax expense		Profit for the year	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal Year ended March 31, 2015	245,045	5.3	68,209	61.5	63,067	62.1	39,314	98.6
Fiscal Year ended March 31, 2014	232,822	50.9	42,224	142.9	38,899	159.0	19,799	161.3

	Profit attributable to owners of the Company		Total comprehensive income		Basic earnings per share attributable to owners of the Company	Diluted earnings per share attributable to owners of the Company
	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal Year ended March 31, 2015	45,721	113.3	60,797	100.1	211.18	195.06
Fiscal Year ended March 31, 2014	21,439	461.8	30,378	90.4	99.04	96.85

	Ratio of profit to equity attributable to owners of the Company	Ratio of profit before income tax expense to total assets	Ratio of operating income to operating revenue
	%	%	%
Fiscal Year ended March 31, 2015	12.9	2.0	27.8
Fiscal Year ended March 31, 2014	6.8	1.4	18.1

(Notes) Share of results of associates Fiscal year ended March 31, 2015: 5,071 million yen
Fiscal year ended March 31, 2014: 1,331 million yen

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity per share attributable to owners of the Company
	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2015	3,400,763	430,615	383,491	11.3	1,771.19
March 31, 2014	2,875,304	388,463	325,631	11.3	1,504.19

(3) Consolidated Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal Year ended March 31, 2015	(36,197)	52,305	(15,524)	290,826
Fiscal Year ended March 31, 2014	29,401	16,811	92,538	276,221

2. Dividends

(Declared date)	Dividend per share					Total dividend (annual)	Payout ratio (cons.)	Ratio of dividend to equity attributable to owners of the Company (cons.)
	End of 1 st Q	End of 2 nd Q	End of 3 rd Q	Year-end	Full year			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal Year ended March 31, 2014	—	0.00	—	20.00	20.00	4,340	20.2	1.4
Fiscal Year ended March 31, 2015	—	0.00	—	35.00	35.00	7,594	16.6	2.1
Fiscal Year ending March 31, 2016 (forecast)	—	—	—	—	—		—	

(Note) The year-end dividend of 35 yen consists of common dividend of 30 yen and commemorative dividend of 5 yen for the 15th anniversary of the foundation of the Company. Fiscal year ending March 31, 2016 forecast is to be determined. Please refer to 1. BUSINESS RESULTS (3) Basic Policy on Profit Distribution and Dividends, for detailed information.

3. Significant changes in subsidiaries during the period

Specified companies added to the scope of consolidation: 1 company (PCA Life Insurance Co., Ltd.)

(Note) PCA Life Insurance Co., Ltd. changed its company name into SBI Life Insurance Co., Ltd. as at May 1, 2015.

4. Total number of shares outstanding (Common stock)

(1) Number of shares outstanding (including treasury stock)	: March 31, 2015	: 224,561,761shares
	March 31, 2014	: 224,561,761shares
(2) Number of treasury stock	: March 31, 2015	: 8,046,610shares
	March 31, 2014	: 8,078,743shares
(3) Average number of shares outstanding	: Year ended March 31, 2015	: 216,505,691shares
	Year ended March 31, 2014	: 216,464,301shares

The Group prepared the consolidated financial statements in accordance with IFRSs.

(Reference Information)
Non-consolidated Financial Results

(1) Non-consolidated Operating Results

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2015	31,659	(2.6)	4,006	(71.4)	2,293	(80.4)	21,681	962.7
Fiscal year ended March 31, 2014	32,519	(14.5)	14,021	(27.2)	11,718	(34.0)	2,040	98.0

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2015	100.14	91.70
Fiscal year ended March 31, 2014	9.42	9.15

(2) Non-consolidated Financial Position

	Total assets	Net assets	Ratio of shareholder's equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2015	616,665	378,353	61.3	1,746.94
March 31, 2014	614,936	360,872	58.7	1,666.98

(Note) Shareholders' equity Fiscal year ended March 31, 2015: 378,240million yen
Fiscal year ended March 31, 2014: 360,872million yen

The non-consolidated financial results were prepared in accordance with JGAAP.

As of the date of this announcement, the results for the year ended March 31, 2015 are under audit by the independent accountants of the Company.

1. BUSINESS RESULTS

(1) Analysis of Business Results for the Fiscal Year

During the consolidated fiscal year ended March 31, 2015, the Japanese economy moved on a gradual recovery path resulting from an improvement in the employment environment and a recovery in corporate business results due to factors such as additional monetary easing measures implemented by the Bank of Japan and the continued trend of a weaker yen in foreign exchange markets, despite a decline in consumer spending due to a reaction to the rush demand prior to the consumption tax increase in April 2014.

Stock markets in Japan and overseas significantly impact businesses related to investment and securities. In the domestic markets, concerns about the consumption tax increase causing a slowdown in the recovery of the domestic economy were a factor in creating a bearish tone during the beginning of the fiscal year. However, the announcement in October 2014 of additional monetary easing by the Bank of Japan and strong business results from domestic companies resulted in the Nikkei Stock Average closing at ¥19,206 at the end of March 2015, 29.5% higher than the closing price at the end of March 2014. There were 86 new domestic listings (excluding the number of listings on the TOKYO PRO Market), 33 more than those in the last fiscal year, which reflected strong market conditions. Overseas, stock market conditions in major countries were also favorable despite effects of the movement to normalize monetary policy in the U.S. in addition to uncertainties over the future outlook of Europe and some emerging economies, and the number of new listings also increased significantly.

In the operating environment surrounding the Internet financial services business, consumers continued to be increasingly aware of the merit of utilizing Internet financial services as they sought the most advantageous conditions available in pursuing financial transactions to protect their livelihood. Consequently, the business remained strong with face-to-face transactions shifting to online transactions. We recognize that the market will demonstrate vigorous growth also going forward despite the expected intensifying competition.

The Group's consolidated results of operations for the fiscal year ended March 31, 2015 were as follow. Operating revenue increased 5.3% year-on-year to ¥245,045 million, operating income rose 61.5% to ¥68,209 million, profit before income tax expense increased 62.1% to ¥63,067 million, and profit attributable to owners of the Company increased 113.3% to ¥45,721 million.

The results of operations for each reporting segment of the Group for the fiscal year ended March 31, 2015 were as follow.

	Operating revenue			Profit before income tax expense		
	Fiscal Year ended March 31, 2014	Fiscal Year ended March 31, 2015		Fiscal Year ended March 31, 2014	Fiscal Year ended March 31, 2015	
	Millions of Yen	Millions of Yen	%	Millions of Yen	Millions of Yen	%
Financial Services Business	147,835	162,645	10.0	37,298	67,309	80.5
Asset Management Business	72,725	65,843	(9.5)	8,990	8,132	(9.5)
Biotechnology-related Business	2,195	2,182	(0.6)	(2,432)	(7,310)	—
Total	222,755	230,670	3.6	43,856	68,131	55.4
Others	11,626	15,710	35.1	2,438	2,779	14.0
Elimination	(1,559)	(1,335)	—	(7,395)	(7,843)	—
Consolidation	232,822	245,045	5.3	38,899	63,067	62.1

(% represents year-on-year changes)

(Financial Services Business)

The Financial Services Business consists of a wide range of financial related businesses and the provision of information regarding financial products, including the core businesses of a securities brokerage business, banking services business, and insurance business.

The results of operations of the Financial Services Business for the fiscal year ended March 31, 2015 were as follows. Operating revenue increased 10.0% year-on-year to ¥162,645 million, and profit before income tax expense increased 80.5% to ¥67,309 million.

(Asset Management Business)

The Asset Management Business primarily consists of fund management and investment in internet technology, biotechnology, environment energy and financial-related venture companies in Japan and overseas, and investment in overseas financial institutions by forming partnerships with prominent local institutions.

The results of operations of the Asset Management Business for the fiscal year ended March 31, 2015 were as follows. Operating revenue decreased 9.5% year-on-year to ¥65,843 million, and profit before income tax expense decreased 9.5% year-on-year to ¥8,132 million. Operating revenue in this reporting segment represents operating revenues arising from investments in overseas financial institutions and from operational investment securities which includes the changes in fair values of those investment securities. The results of operations of the Group's investees which are deemed to be controlled by the Group are consolidated into the results of operations of this reporting segment.

(Biotechnology-related Business)

The Biotechnology-related Business represents development and distribution of pharmaceutical products, health foods, and cosmetics with 5-aminolevulinic acid (ALA*), a kind of amino acid which exists in vivo, and research and development of antibody drug and nucleic acid medicine in the field of cancer and immunology.

The results of operations of the Biotechnology-related Business for the fiscal year ended March 31, 2015 were as follows. Operating revenue decreased 0.6% year-on-year to ¥2,182 million, and loss before income tax expense amounted to ¥7,310 million for the fiscal year ended March 31, 2015 (¥2,432 million of loss before income tax expense for the fiscal year ended March 31, 2014).

* Five-aminolevulinic acid (ALA) is an amino acid generated by mitochondria in the human body and an important substance used to produce heme or cytochrome, proteins to generate energy. The production of ALA in the human body decreases with age. ALA is included in food products, including slops of distilled spirits, red wine, and radish shoots. ALA is also known as a chloroplastic substance in plants.

(2) Analysis of Financial Conditions for the Fiscal Year

As at March 31, 2015, total assets amounted to ¥3,400,763 million and increased by ¥525,459 million from total assets of ¥2,875,304 million as at March 31, 2014. The Group's equity increased by ¥42,152 million to ¥430,615 million from the fiscal year ended March 31, 2014. As at March 31, 2015, the Group's cash and cash equivalents amounted to ¥290,826 million and increased by ¥14,605 million from that of ¥276,221 million as at March 31, 2014. The changes of cash flows for each activity and the reasons for changes are as follows:

(Operating Cash Flows)

Cash flows from operating activities amounted to ¥36,197 million in net cash outflows (¥29,401 million in net cash inflows for the fiscal year ended March 31, 2014). The net cash outflows were primarily due to a ¥59,017 million cash outflow from an increase in accounts receivables and other receivables and a ¥46,629 million cash outflow from an increase in assets/liabilities related to securities business, despite a ¥63,067 million cash inflow from profit before income tax expense.

(Investing Cash Flows)

Cash flows from investing activities amounted to ¥52,305 million in net cash inflows (¥16,811 million in net cash inflows for the fiscal year ended March 31, 2014). The net cash inflows were primarily due to a ¥50,480 million cash inflow from proceeds from sales or redemption of investment securities and a ¥30,137 million cash inflow from proceeds from sales of subsidiaries, net of cash and cash equivalents disposed of, despite a ¥24,166 million cash outflow from purchases of investment securities.

(Financing Cash Flows)

Cash flows from financing activities amounted to ¥15,524 million in net cash outflows (¥92,538 million in net cash inflows for the fiscal year ended March 31, 2014). The net cash outflows were primarily due to a ¥52,461 million cash outflow from repayment of long term loans payable and a ¥76,400 million cash outflow from redemption of bonds payable, despite a ¥43,842 million cash inflow from proceeds from long term loans payable, a ¥30,360 million cash inflow from increase in short term loans payable, and a ¥49,866 million cash inflow from proceeds from issuance of bonds payable.

(3) Basic Policy on Profit Distribution and Dividends for Fiscal Year Ended March 31, 2015

The basic profit distribution policy of the Company is to target a payout a minimum of ¥10 per share on a once annual year-end dividend payment. Depending on the adequacy of retained earnings for sustainable growth and business forecasts, the Company will aim to increase the payout amount in the future. In principle, the Company distributes the total full-year dividend at the end of the year.

Based on the aforementioned basic policy and the consolidated business results, the Company determined to pay an ordinary dividend of ¥30 per share as a year-end dividend for the fiscal year ended March 31, 2015. In addition, in celebration of the 15th anniversary of the foundation on July 8, 2014, the Company decided to offer a commemorative dividend of ¥5 per share in order to show appreciation for shareholders' ongoing support. These results in an annual dividend of ¥35 per share for the fiscal year ended March 31, 2015.

2. MANAGEMENT POLICY

(1) Basic Management Policy of the Company

The Group's core businesses are the Financial Services Business, mainly consisting of the securities brokerage business, banking business and insurance business, which offers a wide range of financial services; the Asset Management Business which primarily involves fund management and investment in IT, biotechnology, environmental energy and financial-related venture companies inside and outside of Japan; and the Biotechnology-related Business which represents development and distribution of pharmaceutical products, cosmetics and health foods. The Group will be committed to creating more innovative services and businesses for our customers and investors, and maximize corporate value, which represents the aggregate of customers' value, shareholder value and human capital value.

The Group consistently continues to base its organizational development on three fundamental concepts: (1) adherence to the "customer-centric principle," (2) development of "structural differentiation," and (3) formation of "business ecosystem." Adherence to the "customer-centric principle" signifies being committed to offering services that truly accommodate the needs of customers, which include services at the lowest commission rates and the most attractive interest rates, at-a-glance comparison of financial products, attractive investment opportunities, services offering high safety and reliability, and provision of abundant and high-quality financial content. In the Internet Age, where the concept has drastically changed, customer needs have become so diverse that they cannot be satisfied simply through differentiation of price or quality of products and services. Development of "structural differentiation" refers to creating a unique "structure" that enables the Group to respond to such changes and satisfy the varying needs of customers as well as offer value based on the full utilization of the structural network. Creation of a "business ecosystem" aims at promoting positive synergistic effects among constituent companies, and this creates a mutual evolution process with each of the respective markets where companies operate to support rapid growth. The Group will manage its businesses by emphasizing the formation of a business ecosystem that enhances the network value through promoting interactions among the Group companies as well as with other corporate groups inside and outside of Japan.

(2) Management Issues and Future Policies

The Group has completed creating a business structure in Japan as a comprehensive financial conglomerate centered on Internet-based financial services. Overseas, the Group has, for the most part, completed establishing an investment framework primarily in Asian countries with remarkable growth.

Going forward, we will aggressively promote further expansion of our overseas investment business and provide local foreign financial institutions we invest in with innovative know-how on Internet financial services fostered through our businesses in Japan. By so doing, we expect to become a comprehensive financial group that can make contributions globally with a focus in Asia.

In Japan, we will accelerate growth as a provider of diverse low-cost, high-quality financial products and services by effectively taking into account the growing sentiment among consumers to cut back on their spending and the increased use of the Internet for executing various financial transactions, and by further creating synergistic effects among the businesses we have developed in the Group.

In the Financial Services Business, SBI SECURITIES Co., Ltd. will continue to expand its investment trusts and overseas product lineups, and strengthen foreign exchange transactions in order to achieve diversification of revenue sources and further enhance its wholesale businesses including underwriting businesses for initial public offering (IPO) and primary and secondary offerings. SBI Liquidity Market Co., Ltd., which began its operation in November 2008, provides not only liquidity but also a convenient and competitive market infrastructure for FX transactions to SBI SECURITIES Co., Ltd., SBI Sumishin Net Bank, Ltd., and SBI FXTRADE Co., Ltd. which started its operations in May 2012. The firm will make improvements to the transaction environment, enhance liquidity, and focus on building a further cost-effective, secure and safe FX transaction environment with a view to providing its services to overseas private investors. We also established SBI Sumishin Net Bank, Ltd. and SBI Insurance Co., Ltd. during 2007 to 2008, and acquired shares of SBI Life Insurance Co., Ltd. in February 2015 which thereafter became a subsidiary of the Group. It is our key objective to build an earning structure that does not depend solely on stock markets by further developing these businesses by provoking stronger synergistic effects among Group companies.

For certain financial products for individuals, online sales alone are not sufficient, and there is a need for face-to-face consultations to explain the products to the customers directly. For this purpose, SBI MONEY PLAZA Co., Ltd., which provides a one-stop response to all customers' needs for asset management, insurance and housing loans, will take the lead in developing the operation of the Group's face-to-face channels and will further build the synergistic effect among the Group.

In the Asset Management Business, we recognize that a high priority lies in expanding our investments in emerging countries, primarily in Asia, and establishing an effective investment system. We will strive to set up funds jointly with our leading local partners while monitoring the economic conditions of such countries as we continue to push forward with the establishment and penetration of our global network. We pursue private equity investment by concentrating our investments in growth areas, especially in four key areas of IT, biotechnology, the environment and energy, and finance, in the aim to contribute in developing industries while benefiting from high investment performance. In the financial sectors, we will transfer the know-how of the Group and pursue direct investment in overseas financial institutions by which we can expect to enhance the value of corporations we invest in. In undertaking these business activities, the Group will strive for further growth by continuing to aggressively utilize the resources both inside and outside of the Group and heightening the performance of the funds we operate as we promptly improve the corporate value of the companies we invest in.

In the Biotechnology-related Business which is expected to be the largest growth area of the Group and was determined as a new reportable segment from the beginning of the fiscal year ended 31 March 2013, the Group sells health foods and cosmetics that contain 5-aminolevulinic acid (ALA), and SBI Pharmaceuticals Co., Ltd. carries out research and development of pharmaceutical products using ALA. In September 2013, we launched a diagnostic agent for use in the surgical resection of malignant glioma. We have also been reinforcing promotional activities to expand sales of health foods that contain ALA both in Japan and overseas. Research activities continue to be extended in domestic and foreign universities and research institutes to discover new applications of ALA, and we strive to develop products that help customers to live healthy and enjoyable lives, focusing on ALA with possible applications in a wider range of fields. SBI Biotech Co., Ltd. dedicates its efforts to developing new pharmaceutical products using the most advanced biotechnology in collaboration with leading research institutes around the world.

In April 2012, we reorganized the Group's domestic organizational structure, identifying the "Asset Management Business," the "Financial Services Business" and the "Biotechnology-related Business" as the three core business segments. We have been quickly moving forward with the organizational reforms in other business areas basically by sale, public offering and intra-Group integration regardless of whether such areas are profitable or not. Namely in the Financial Services Business, where we have identified securities brokerage, banking and insurance as the three core businesses, we will continue to review business activities and assess the magnitude of synergistic effects identified in relation to the three core businesses in order to thoroughly implement the "selection and concentration" process.

The Group recognizes that continuous enhancement of human resources is an essential group-wide initiative. It has become increasingly important to secure highly competent individuals that support the rapid expansion of our businesses and to continue developing the skills of our employees. For this purpose, we have been exerting greater efforts to hire excellent individuals who are willing to share the management philosophy of the Group while recruiting university graduates to secure human capital so that the Group's unique corporate culture is passed on from one generation of employees to the next. The Group started recruiting university graduates in April 2006, and they already play an active role in various business fields and are expected to be future leaders of the Group. We will continue to secure highly competent and global-oriented human resources and promote career development of our staff in pursuing perpetual growth and development of the Group.

3. THE BASIC CONCEPT REGARDING SELECTION OF ACCOUNTING STANDARDS

The Group has been developing its investment business and financial services business including banking and securities business with a focus on the Asian region to accelerate its operations in the emerging market countries by forming partnerships with prominent local institutions. Given this situation, in order to improve the international comparability of financial information in the capital markets, the Group applied IFRS optionally from the fiscal year ended March 31, 2013.

4. CONSOLIDATED FINANCIAL STATEMENTS

(1) Consolidated Statement of Financial Position

	As at March 31, 2014	As at March 31, 2015
	Millions of Yen	Millions of Yen
Assets		
Cash and cash equivalents	276,221	290,826
Trade and other accounts receivable	336,206	342,459
Assets related to securities business		
Cash segregated as deposits	935,497	1,250,678
Margin transaction assets	352,675	276,387
Other assets related to securities business	451,321	601,695
Total assets related to securities business	1,739,493	2,128,760
Other financial assets	30,593	31,096
Operational investment securities	127,365	114,946
Other investment securities	49,234	193,064
Investments accounted for using the equity method	39,820	45,455
Investment properties	33,195	18,478
Property and equipment	11,826	10,590
Intangible assets	196,438	199,810
Other assets	26,513	22,785
Deferred tax assets	8,400	2,494
Total assets	2,875,304	3,400,763
Liabilities		
Bonds and loans payable	440,112	374,771
Trade and other accounts payable	53,503	55,005
Liabilities related to securities business		
Margin transaction liabilities	186,806	97,757
Loans payable secured by securities	211,671	290,480
Deposits from customers	492,159	638,879
Guarantee deposits received	439,927	545,116
Other liabilities related to securities business	287,350	388,161
Total liabilities related to securities business	1,617,913	1,960,393
Customer deposits for banking business	302,314	361,102
Insurance contract liability	22,370	170,042
Income tax payable	10,362	13,792
Other financial liabilities	15,645	13,757
Other liabilities	15,767	12,034
Deferred tax liabilities	8,855	9,252
Total liabilities	2,486,841	2,970,148
Equity		
Capital stock	81,681	81,681
Capital surplus	152,725	148,676
Treasury stock	(5,140)	(5,137)
Other component of equity	16,225	36,934
Retained earnings	80,140	121,337
Equity attributable to owners of the Company	325,631	383,491
Non-controlling interests	62,832	47,124
Total equity	388,463	430,615
Total liabilities and equity	2,875,304	3,400,763

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statement of Income

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
	Millions of Yen	Millions of Yen
Operating revenue	232,822	245,045
Operating expense		
Operating cost	(68,472)	(64,019)
Finance cost	(18,526)	(16,610)
Selling, general and administrative expenses	(95,997)	(92,039)
Other expenses	(8,934)	(11,247)
Total operating expense	(191,929)	(183,915)
Gain on bargain purchase	—	2,008
Share of the profit of associates and joint ventures accounted for using the equity method	1,331	5,071
Operating income	42,224	68,209
Other financial income and cost		
Other financial income	514	370
Other financial cost	(3,839)	(5,512)
Total other financial income and cost	(3,325)	(5,142)
Profit before income tax expense	38,899	63,067
Income tax expense	(19,100)	(23,753)
Profit for the year	19,799	39,314
Profit for the year attributable to		
Owners of the Company	21,439	45,721
Non-controlling interests	(1,640)	(6,407)
Profit for the year	19,799	39,314
Earnings per share attributable to owners of the Company		
Basic (Yen)	99.04	211.18
Diluted (Yen)	96.85	195.06

Consolidated Statement of Comprehensive Income

	Fiscal year ended March 31, 2014 Millions of Yen	Fiscal year ended March 31, 2015 Millions of Yen
Profit for the year	19,799	39,314
Items that will not be reclassified subsequently to profit or loss		
Fair value through other comprehensive income ("FVTOCI") financial assets	979	52
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	9,600	21,431
Other comprehensive income, net of tax	10,579	21,483
 Total Comprehensive income	 30,378	 60,797
 Total comprehensive income attributable to		
Owners of the Company	32,337	66,246
Non-Controlling interests	(1,959)	(5,449)
Total Comprehensive income	30,378	60,797

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2014

	Attributable to owners of the Company						Non-controlling interests	Total equity
	Capital stock	Capital surplus	Treasury stock	Other component of equity	Retained earnings	Total		
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
As at April 1, 2013	81,668	160,550	(5,117)	6,196	60,002	303,299	57,236	360,535
Profit for the year	—	—	—	—	21,439	21,439	(1,640)	19,799
Other comprehensive income	—	—	—	10,898	—	10,898	(319)	10,579
Total comprehensive income	—	—	—	10,898	21,439	32,337	(1,959)	30,378
Issuance of new stock	13	13	—	—	—	26	—	26
Issuance of convertible bonds	—	1,632	—	—	—	1,632	—	1,632
Change in scope of consolidation	—	(211)	—	—	—	(211)	747	536
Dividends paid	—	—	—	—	(2,170)	(2,170)	(2,103)	(4,273)
Treasury shares purchased	—	—	(64)	—	—	(64)	—	(64)
Treasury shares sold	—	3	41	—	—	44	—	44
Changes of interests in subsidiaries without losing control	—	(9,262)	—	—	—	(9,262)	8,911	(351)
Transfer	—	—	—	(869)	869	—	—	—
As at March 31, 2014	81,681	152,725	(5,140)	16,225	80,140	325,631	62,832	388,463
Profit for the year	—	—	—	—	45,721	45,721	(6,407)	39,314
Other comprehensive income	—	—	—	20,525	—	20,525	958	21,483
Total comprehensive income	—	—	—	20,525	45,721	66,246	(5,449)	60,797
Issuance of Stock Acquisition Rights	—	113	—	—	—	113	—	113
Change in scope of consolidation	—	419	—	—	—	419	(7,154)	(6,735)
Dividends paid	—	—	—	—	(4,340)	(4,340)	(5,482)	(9,822)
Treasury shares purchased	—	—	(34)	—	—	(34)	—	(34)
Treasury shares sold	—	1	37	—	—	38	—	38
Changes of interests in subsidiaries without losing control	—	(4,582)	—	—	—	(4,582)	2,377	(2,205)
Transfer	—	—	—	184	(184)	—	—	—
As at March 31, 2015	81,681	148,676	(5,137)	36,934	121,337	383,491	47,124	430,615

(4) Consolidated Statement of Cash flows

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
	Millions of Yen	Millions of Yen
Net cash generated from (used in) operating activities		
Profit before income tax expense	38,899	63,067
Depreciation and amortization	11,434	11,515
Share of profits of associates and joint ventures accounted for using the equity method	(1,331)	(5,071)
Interest and dividend income	(65,518)	(63,795)
Interest expense	22,365	22,122
(Increase) decrease in operational investment securities	(2,524)	16,984
Decrease (increase) in accounts receivables and other receivables	95,728	(59,017)
Increase in operational liabilities and other liabilities	3,388	4,828
Decrease (increase) in assets/liabilities related to securities business	7,370	(46,629)
(Decrease) increase in customer deposits in the banking business	(121,649)	21,696
Others	4,593	(28,573)
Subtotal	(7,245)	(62,873)
Interest and dividend income received	64,215	66,304
Interest paid	(25,054)	(22,086)
Income taxes paid	(2,515)	(17,542)
Net cash generated from (used in) operating activities	29,401	(36,197)
Net cash generated from investing activities		
Purchases of intangible assets	(5,409)	(5,772)
Purchases of investment securities	(9,791)	(24,166)
Proceeds from sales or redemption of investment securities	21,582	50,480
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(2,057)	(6,649)
Proceeds from sales of subsidiaries, net of cash and cash equivalents disposed of	2,887	30,137
Payments of loans receivable	(3,787)	(2,579)
Collection of loans receivable	5,545	2,539
Others	7,841	8,315
Net cash generated from investing activities	16,811	52,305

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
	Millions of Yen	Millions of Yen
Net cash generated from (used in) financing activities		
Increase in short term loans payable	47,918	30,360
Proceeds from long-term loans payable	40,895	43,842
Repayment of long-term loans payable	(27,091)	(52,461)
Proceeds from issuance of bonds payable	101,012	49,866
Redemption of bonds payable	(65,470)	(76,400)
Proceeds from stock issuance	26	—
Proceeds from stock issuance to non-controlling interests	55	181
Contributions from non-controlling interests in consolidated investment funds	1,312	1,755
Cash dividends paid	(2,162)	(4,322)
Cash dividends paid to non-controlling interests	(530)	(453)
Distributions to non-controlling interests in consolidated investment funds	(2,084)	(5,043)
Purchase of treasury stock	(64)	(34)
Proceeds from sale of interests in subsidiaries to non-controlling interests	119	114
Payments for purchase of interests in subsidiaries from non-controlling interests	(145)	(1,321)
Others	(1,253)	(1,608)
Net cash generated from (used in) financing activities	92,538	(15,524)
Net increase in cash and cash equivalents	138,750	584
Cash and cash equivalents at the beginning of the year	133,362	276,221
Effect of changes in exchange rate on cash and cash equivalents	4,109	14,021
Cash and cash equivalents at the end of the year	276,221	290,826

Notes to Consolidated Financial Statements

1. Changes in Accounting Policy

Except for the following standards that have been newly applied, the accounting policies presented in the consolidated financial statements for the year ended March 31, 2014, are applied consistently in the preparation of these consolidated financial statements.

The Group adopted the following new and revised standards and interpretations beginning with the preparation of the interim condensed consolidated financial statements for the three months ended June 30, 2014. There is no significant impact on these consolidated financial statements through adoption.

Statement of standards		Summary of new standards and amendments
IFRS 10	Consolidated Financial Statements	
IFRS 12	Disclosure of Interests in Other Entities	Clarifications on definition of investment entities Measuring method of investments
IAS 27	Separate Financial Statements	
IAS 32	Financial Instruments: Presentation	Clarification of offsetting criteria and supplement to application guidance
IAS 36	Impairment of Assets	Recoverable amount disclosures for non-financial assets
IFRIC 21	Levies	Identification of present obligations to pay levies

2. Segment Information

The Group engages in a wide range of business activities, primarily online financial service businesses and investment activities in Japan and overseas. Based on the similarities or economic characteristics of the business or nature of services, "Financial Services Business," "Asset Management Business" and "Biotechnology-related Business," which is the fastest growing business in the Group, are determined to be reportable segments.

The reporting segments of the Group represent businesses activities for which separate financial information of the Group's components is available and reviewed regularly by the Board of Directors for the purpose of allocation of financial resources and performance evaluation.

The following is a description of business activities for the reporting segments.

Financial Services Business

The Financial Services Business consists of a wide range of finance-related business and the provision of information regarding financial products, including securities brokerage business, banking services business and property and casualty insurance business.

Asset Management Business

The Asset Management Business primarily consists of fund management and investment in Internet technology, biotechnology, environmental energy and finance-related venture companies in Japan and overseas. The Group includes venture companies acquired in the Asset Management Business in the Group's consolidation; thus, the businesses operated by the venture companies are included in this segment.

Biotechnology-related Business

The Biotechnology-related Business represents development and distribution of pharmaceutical products, health foods, and cosmetics with 5-aminolevulinic acid (ALA), a kind of amino acid which exists in vivo, and research and development of antibody drugs and nucleic acid medicine in the field of cancer and immunology.

Business segments classified into "Others" mainly consists of development and trading of investment property and operation of online intermediate service, which were included in the Housing and Real Estate Business segment. They are not classified as a reporting segment based on the quantitative criteria for the fiscal year ended March 31, 2015.

"Elimination" includes profit or loss that is not allocated to certain business segments, and includes elimination of the intercompany transactions within the Group, at a price based on the actual market price.

The following represents segment information of the Group:

For the fiscal year ended March, 2014

	Financial Services Business	Asset Management Business	Biotechnology- related Business	Total	Others	Elimination	Consolidated Total
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Operating revenue	147,835	72,725	2,195	222,755	11,626	(1,559)	232,822
Profit (loss) before income tax expense	37,298	8,990	(2,432)	43,856	2,438	(7,395)	38,899

For the fiscal year ended March, 2015

	Financial Services Business	Asset Management Business	Biotechnology -related Business	Total	Others	Elimination	Consolidated Total
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Operating revenue	162,645	65,843	2,182	230,670	15,710	(1,335)	245,045
Profit (loss) before income tax expense	67,309	8,132	(7,310)	68,131	2,779	(7,843)	63,067

3. Revenue

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
	Millions of yen	Millions of yen
Operating revenue		
Financial income		
Interest income (Note 1)	62,945	62,975
Dividends received	385	431
Income (loss) arising from financial assets at fair value through profit or loss ("FVTPL")	11,595	1,546
Gain from trading	14,047	16,437
Total financial income	88,972	81,389
Revenue arising on insurance contracts (Note 2)	27,352	32,564
Revenue from rendering of services	78,635	70,571
Revenue from sale of interests in subsidiaries (Note 3)	336	18,541
Other income	37,527	41,980
Total operating revenue	232,822	245,045
Other financial income		
Interest income		
Financial assets measured at amortized cost	514	370
Total other financial income	514	370

(Note) 1. Interest income in financial income arises from financial assets measured at amortized cost.

2. Revenue arising on insurance contracts which was included in Revenue from rendering of services until the previous reporting period is stated independently under Operating revenue from the fiscal year ended March 31, 2015, as its importance has increased.

3. Revenue from sale of interests in subsidiaries arose mainly from the sales of SBI Mortgage Co., Ltd. and SBI Life Living Co., Ltd.

4. Earnings per Share

The basic and diluted earnings per share attributable to owners of the Company are calculated based on the following information.

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
	Millions of Yen	Millions of Yen
Earnings		
Profit attributable to owners of the Company	21,439	45,721
Dilutive effect: Convertible bonds	158	399
Profit attributable to owners of the Company after dilutive effect	21,597	46,120
Shares		
Basic weighted average number of ordinary shares (shares)	216,464,301	216,505,691
Dilutive effect: Stock options (shares)	6,506	249,593
Dilutive effect: Convertible bonds (shares)	6,536,765	19,692,792
Weighted average number of ordinary shares after the dilutive effect (shares)	223,007,572	236,448,076
Earnings per share attributable to owners of the Company		
Basic (in Yen)	99.04	211.18
Diluted (in Yen)	96.85	195.06

(Note) The calculation of diluted earnings per share does not assume exercise of stock acquisition rights that would have an antidilutive effect on earnings per share.

5. Events after the Reporting Period

There was no significant event after the reporting period.