



SBI E*TRADE SECURITIES Co., Ltd.

Financial Review

3rd Quarter Fiscal Year 2006

January 31, 2007

SBI E*TRADE SECURITIES Co., Ltd.

Stock code: 8701

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1. Performance Overview

Consolidated Performance, 3Q FY 2006

(Unit: Million yen, %)

	3Q FY 2005 (2005/4 to 2005/12)	3Q FY 2006 (2006/4 to 2006/12)	Compared to same period in previous year
Operating revenue	40,590	42,311	+4.2
Net operating revenue	37,695	39,435	+4.6
Operating profit	19,480	18,015	-7.5
Ordinary profit	19,540	18,212	-6.8
Interim net profit	10,719	10,164	-5.2

Quarterly Consolidated Performance for FY 2006

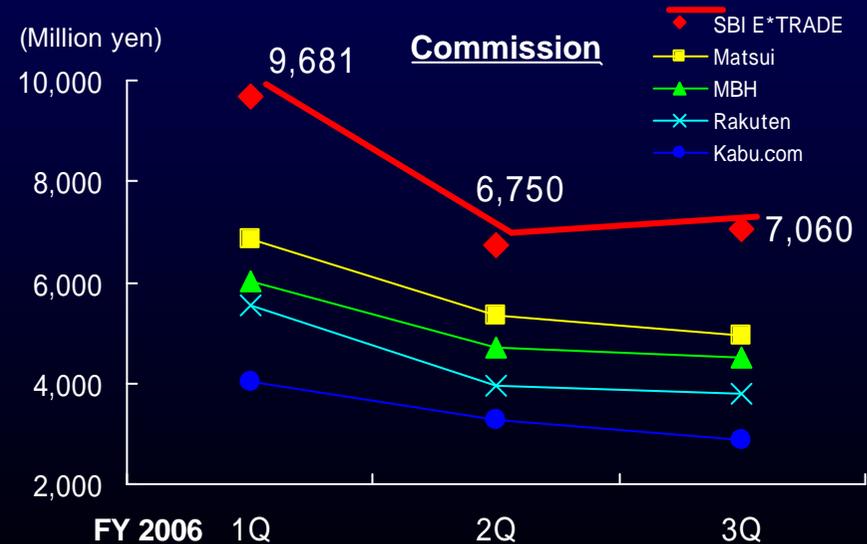
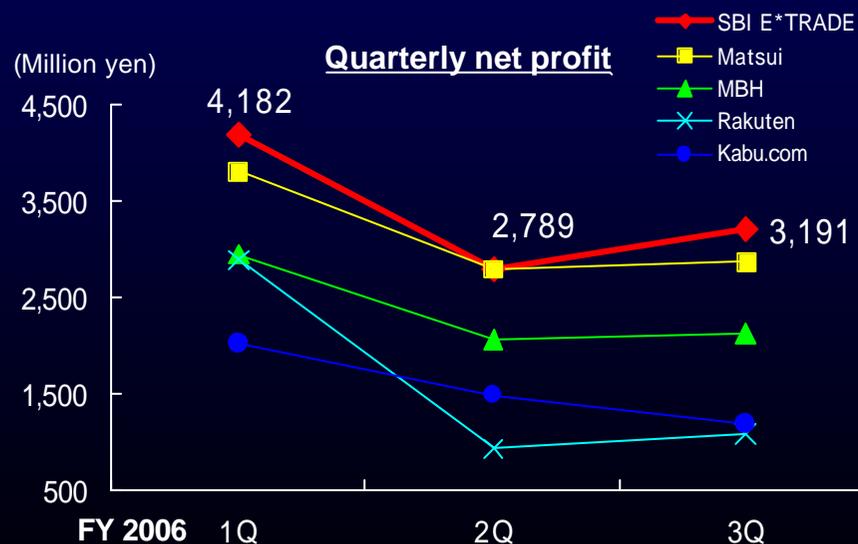
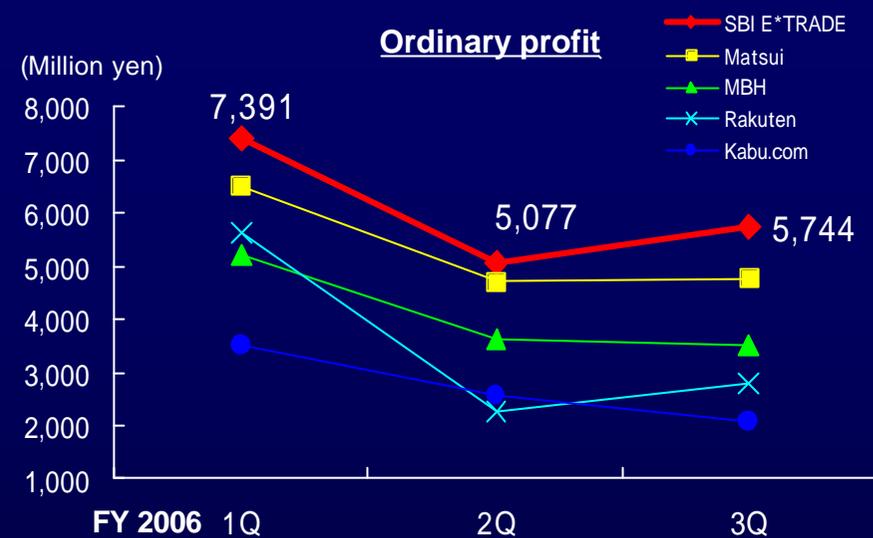
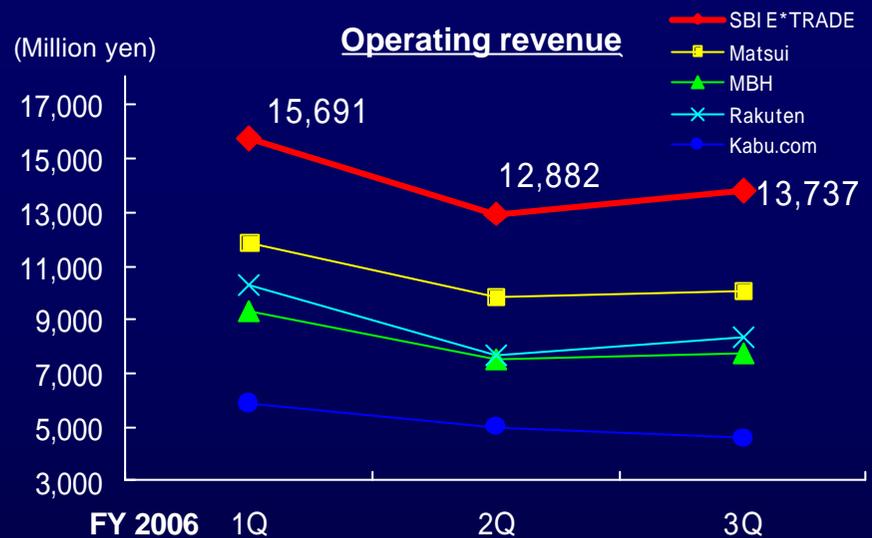
For the third quarter, E*TRADE achieved higher income and profit compared to the previous quarter.

(Unit: Million yen, %)

	FY 2006			Compared to previous quarter (%)
	1Q (2006/4 to 2006/6)	2Q (2006/7 to 2006/9)	3Q (2006/10 to 2006/12)	
Operating revenue	15,691	12,882	13,737	+6.6
Net operating revenue	14,886	11,905	12,642	+6.2
Operating profit	7,168	5,043	5,803	+15.1
Ordinary profit	7,391	5,077	5,744	+13.2
Quarter net profit	4,182	2,789	3,191	+14.4

Performance Comparison

Management Performance Trends of Main Online Securities Companies



Source: Public documents from each company.

Note: Kabu.com Securities uses non-consolidated figures.

Consolidated Performance Highlights, 3Q FY 2006

Income increased over same period in previous year and both income and profit increased over previous quarter.

1. Commission earnings: Down 12.5% compared to same period in previous year, decreasing to 23.492 billion yen; but up 4.6% compared to previous quarter.

- Combined accounts: 1,351,576 (as of December 31, 2006) In 9 months, the number of accounts grew by 183,798 (20,422 accounts per month).
- E*TRADE's individual broker trading value share expanded further to 29.2% (3Q FY 2006).

2. Financial revenue: Up 41.6% compared to the same period in the previous year, expanding to 12.692 billion yen.

- Based on expansion of self-financing, the financial balance increased 62.1% compared to the same period in the previous year, expanding to 9.833 billion yen.
- Margin trading accounts: 140,904 (as of December 31, 2006) In 9 months, the number of accounts grew by 25,293 (2,810 accounts per month).
- The margin balance at the end of December 2006 was down compared to the end of September. However, accounts and underwriting share expanded.

3. Commissions from underwriting, public subscriptions, and secondary offerings: Up 5.3% compared to the same period in the previous year, expanding to 1.471 billion yen.

- From the interim period on, E*TRADE has continued to have the top IPO underwriting participation rate among securities companies.
- The IPO underwriting amount increased based on strong performance in the lead managing underwriter business.

4. Profit from trading and other earnings: Up 37.6% compared to the same period in the previous year, expanding to 4.655 billion yen.

- To meet the needs of investors, E*TRADE started to handle more types of investment trusts.

5. Sales and management expenses

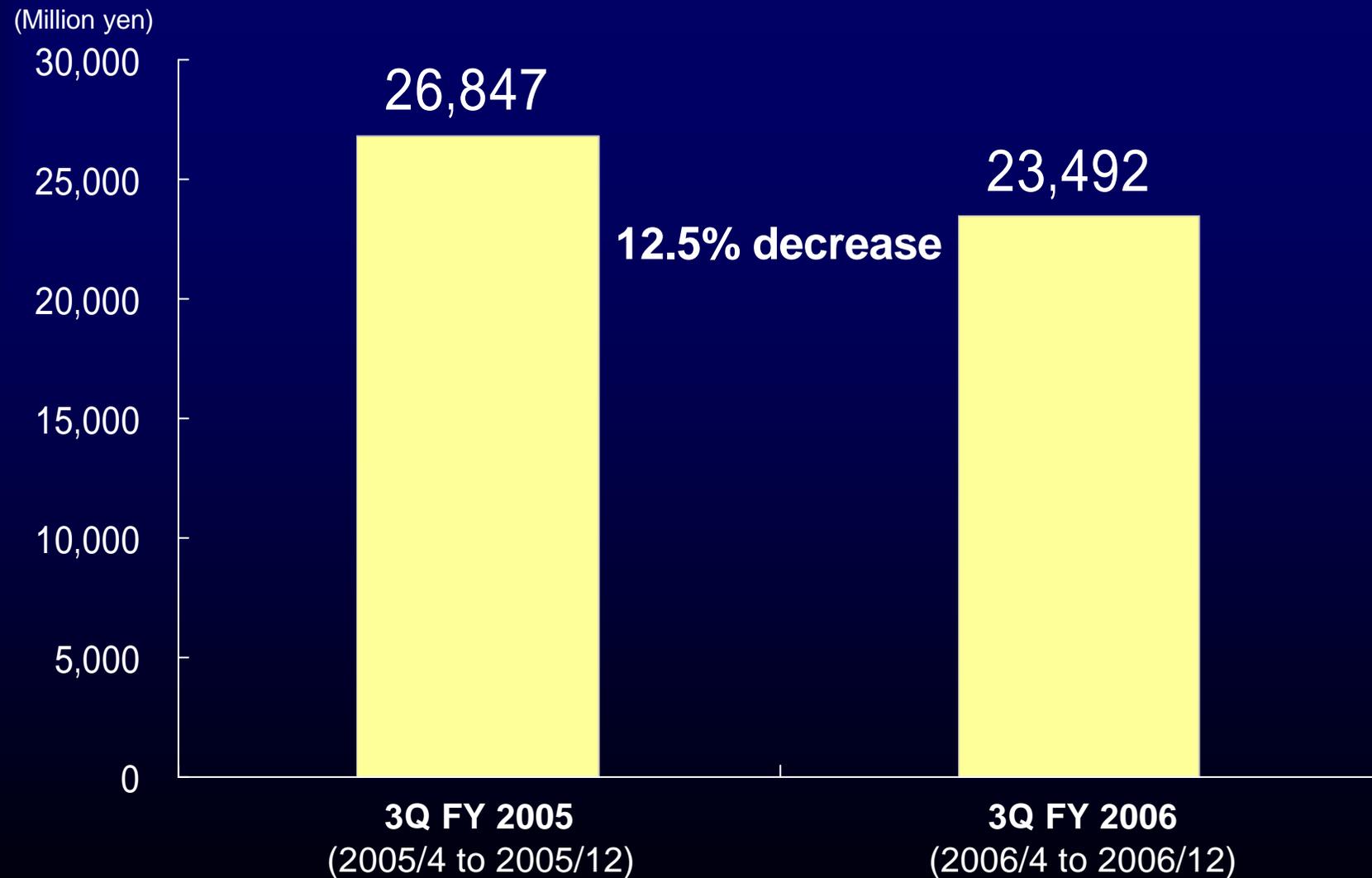
- The variable cost per contract decreased sharply.

• E*TRADE Korea outlook

- E*TRADE Korea achieved higher income and profit compared to the same period in the previous year. E*TRADE Korea plans to become listed on the KOSDAQ market on February 21.

Performance Highlights

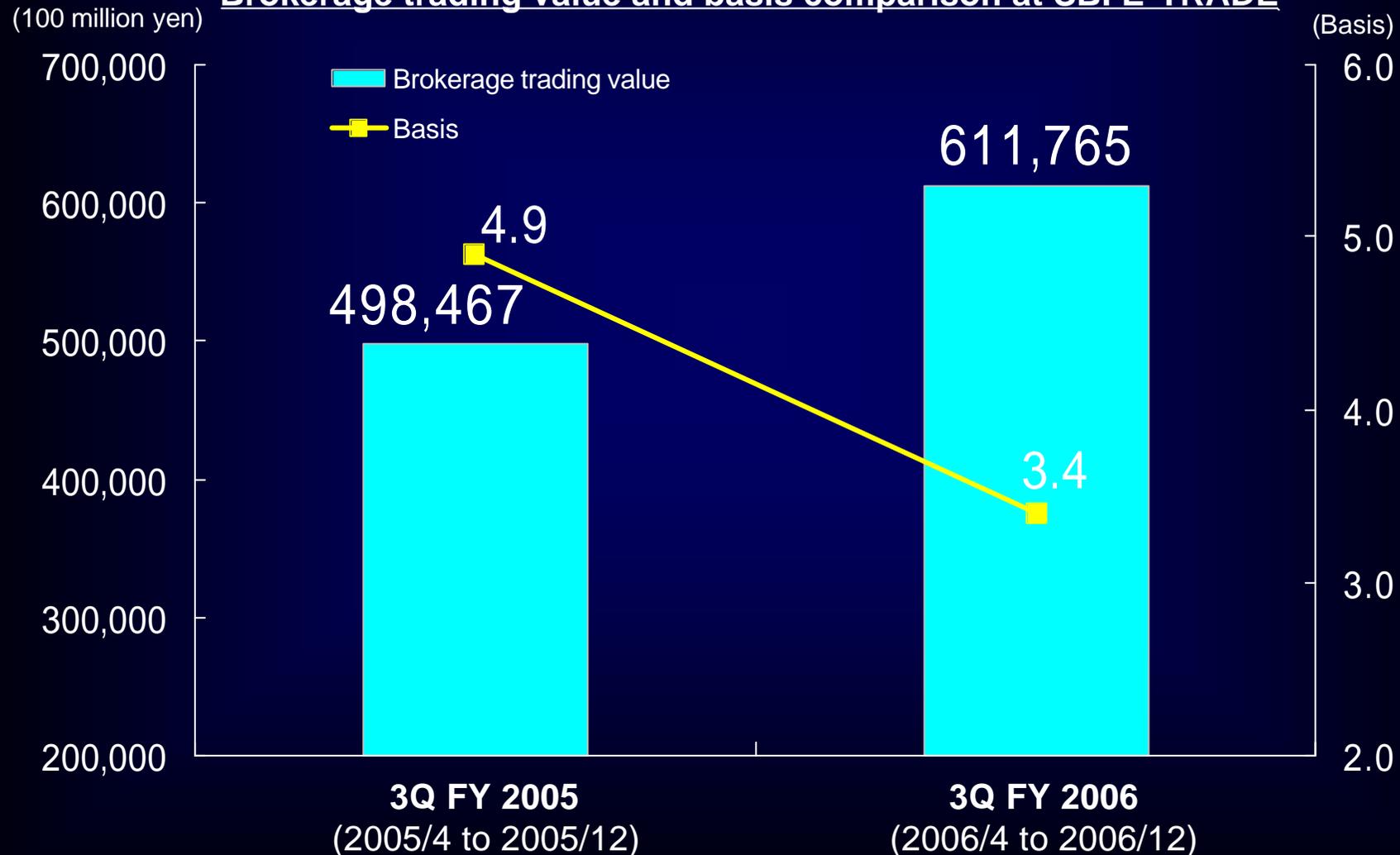
1) Consolidated Commission Earnings



1) Commission Earnings

Brokerage Trading Value and Basis

Brokerage trading value and basis comparison at SBI E*TRADE

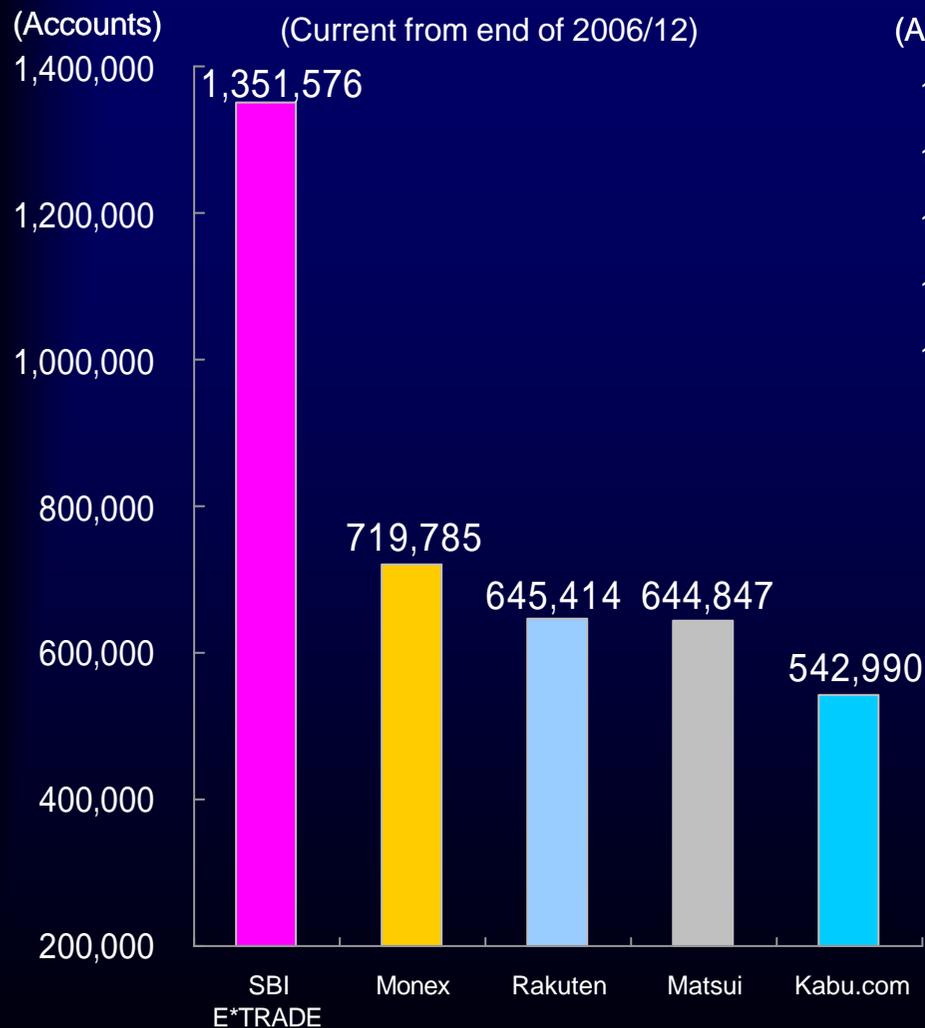


Note: Total brokerage trading value from April to December.
Basis = Brokerage commission / Brokerage turnover

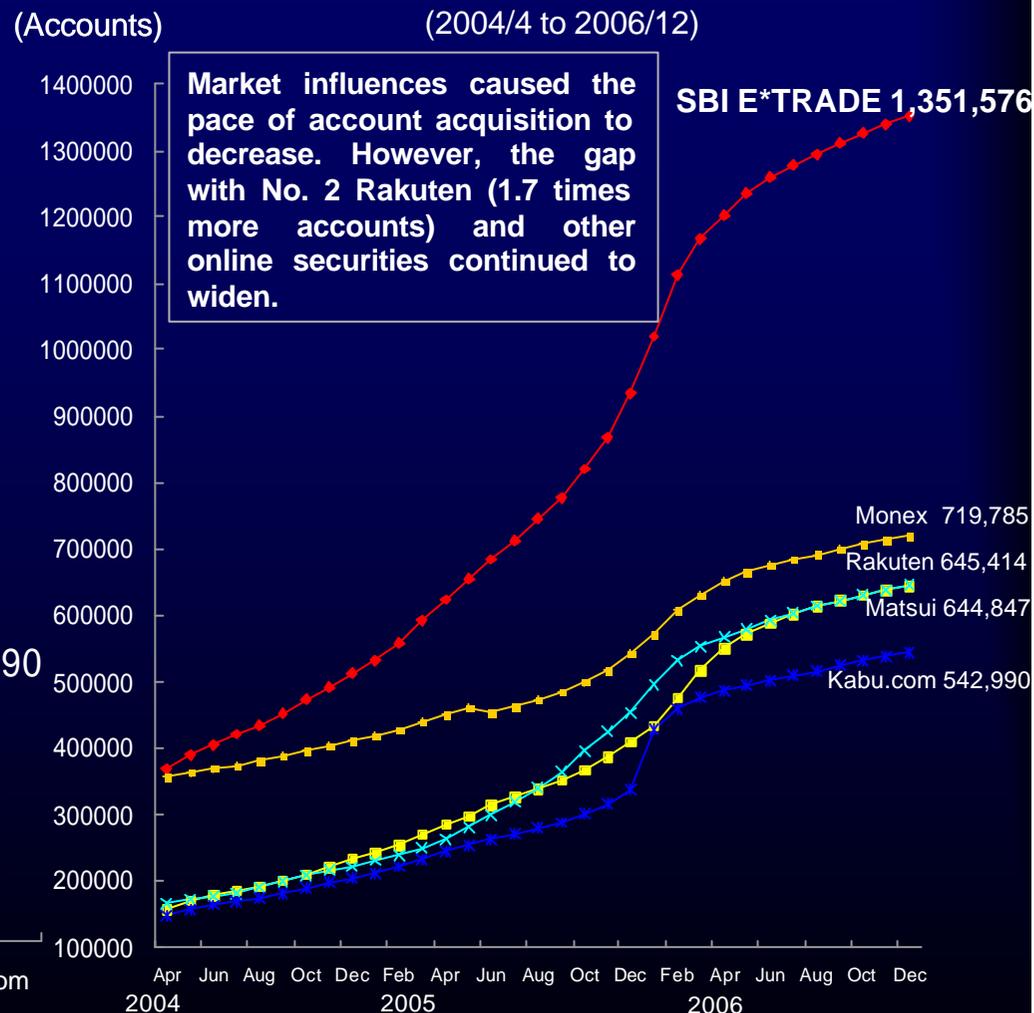
1) Commission Earnings

Account Comparison for Main Online Securities Companies

Accounts of five main online securities companies



Account trend of five main online securities companies



Source: Public documents from each company's website.

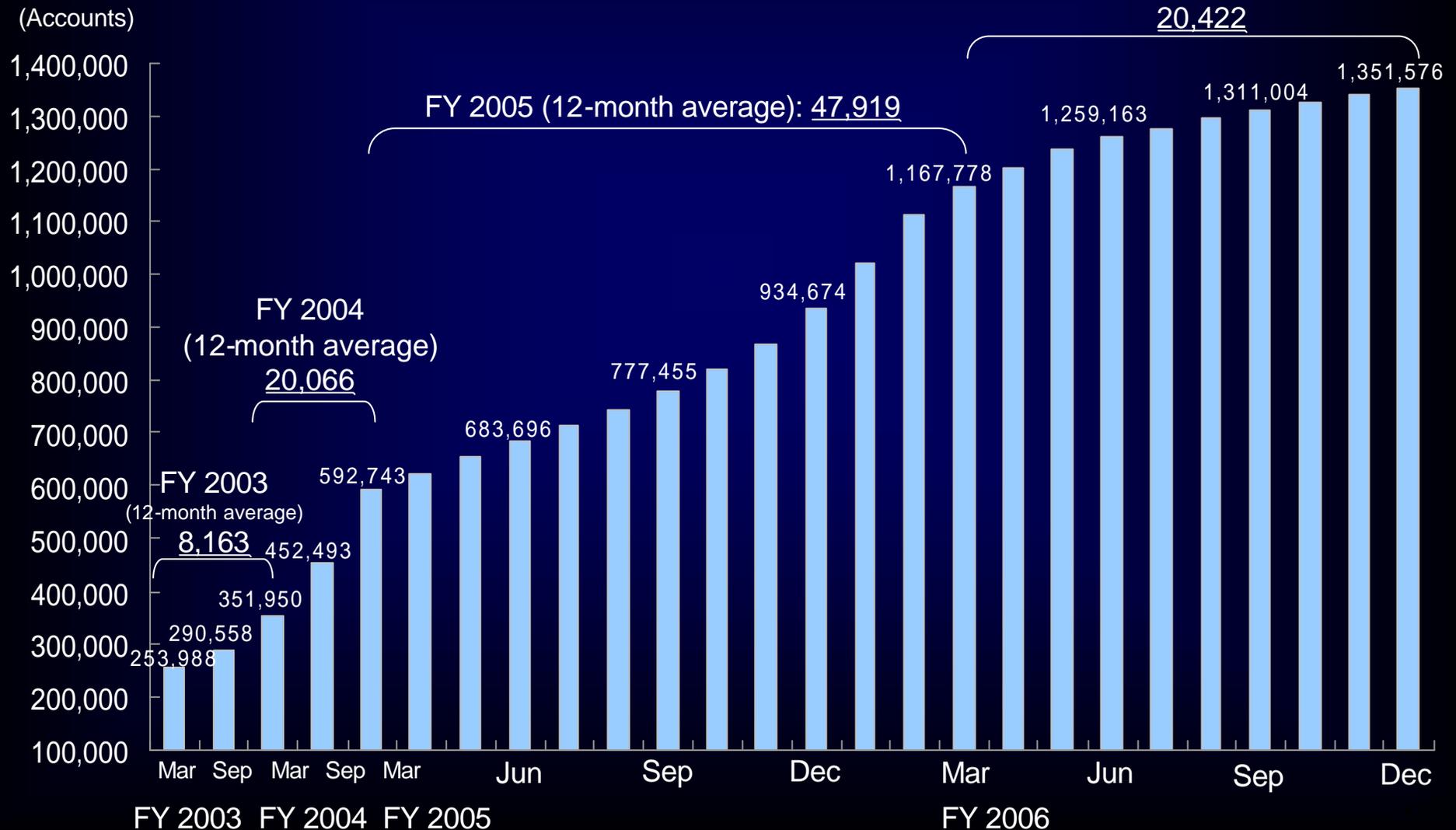
Note: Monex Securities and Nikko Beans are totaled as Monex. On January 1, 2006, Kabu.com Securities merged with MeNet Securities.

1) Commission Earnings

SBI E*TRADE Account Trend

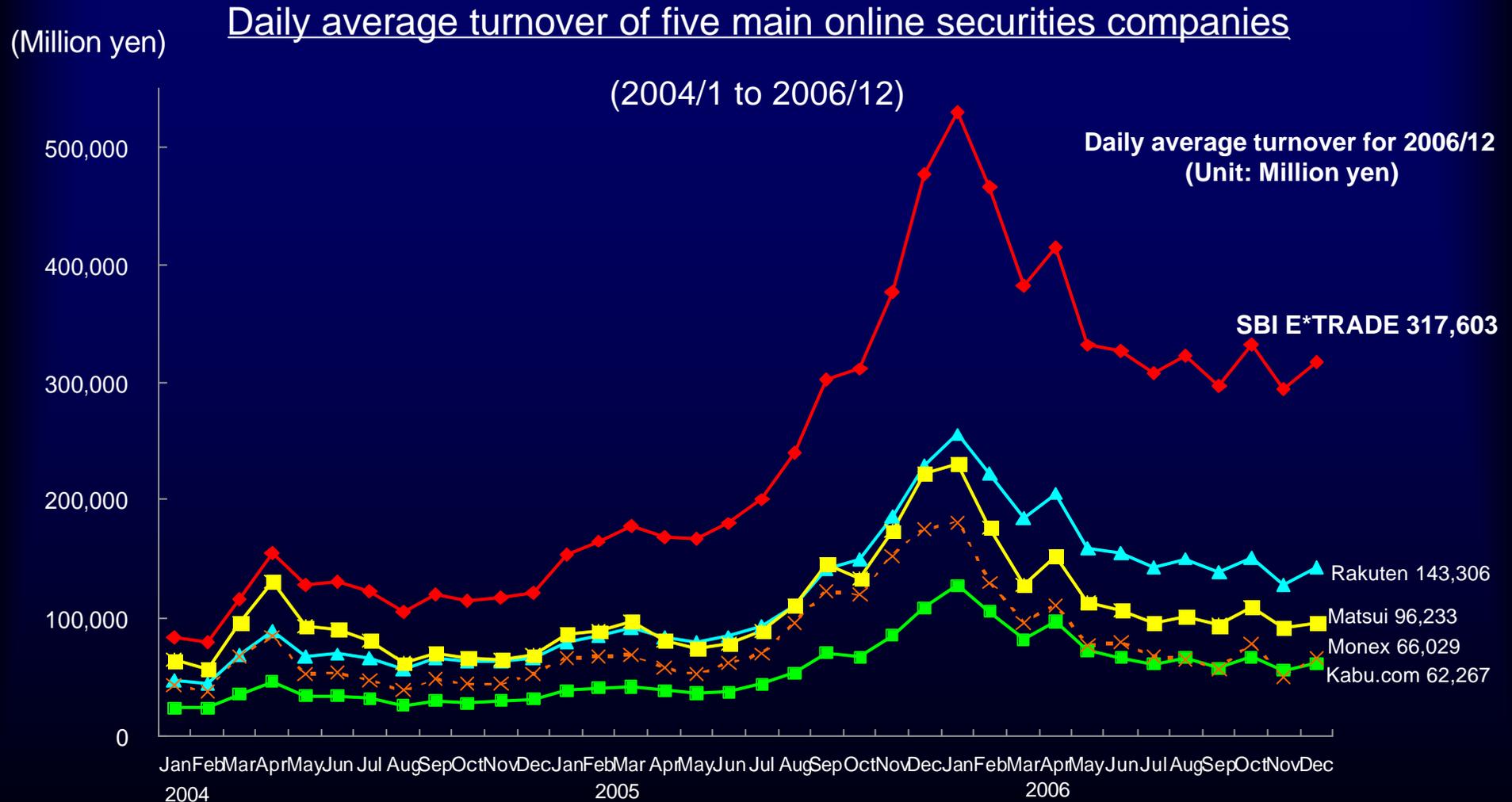
Average monthly account acquisition

3Q FY 2006
(9-month average)
20,422



1) Commission Earnings

Brokerage Trading Value of Main Online Securities Companies

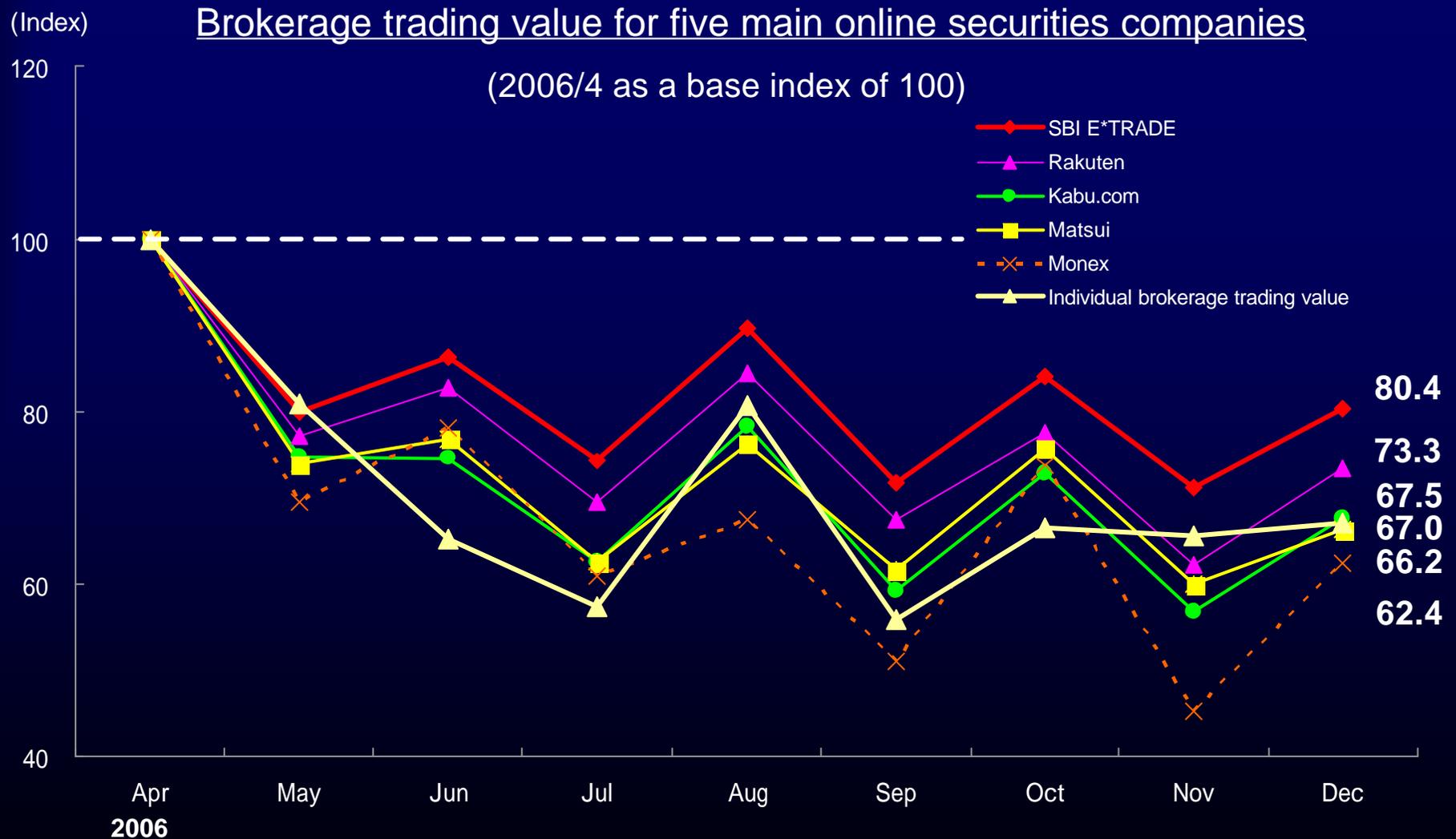


Source: Public documents from each company's website.

Note: Monex Securities and Nikko Beans are totaled as Monex. Kabu.com Securities merged with MeNet Securities in January 2006.

1) Commission Earnings

Brokerage Trading Value Trend of Main Online Securities Companies



Source: Tokyo Stock Exchange statistical data, JASDAQ statistical data, and public documents from each company's website.

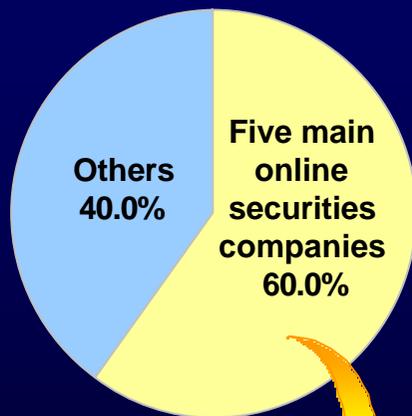
Note: Individual brokerage turnover in individual margin trading is totaled from three exchanges (sections one and two) and JASDAQ.

1) Commission Earnings

Individual Brokerage Trading Value Share of Main Online Securities

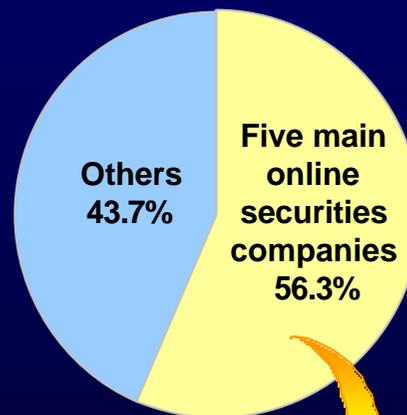
Trend in individual brokerage trading value share

3Q FY 2004
(2004/4 to 2004/12)



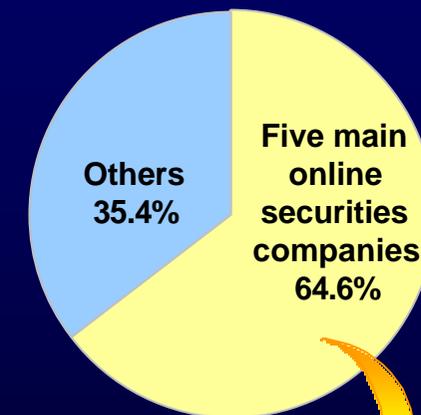
SBI E*TRADE	20.9%
Matsui Securities	13.6
Rakuten Securities	11.4
Monex	8.7
Kabu.com	5.4

3Q FY 2005
(2005/4 to 2005/12)



SBI E*TRADE	22.2%
Rakuten Securities	10.6
Matsui Securities	10.2
Monex	8.3
Kabu.com	5.0

3Q FY 2006
(2006/4 to 2006/12)



SBI E*TRADE	29.2%
Rakuten Securities	13.6
Matsui Securities	9.5
Monex	6.4
Kabu.com	6.0

Source: Tokyo Stock Exchange statistical data, JASDAQ statistical data, and public documents from each company's website.

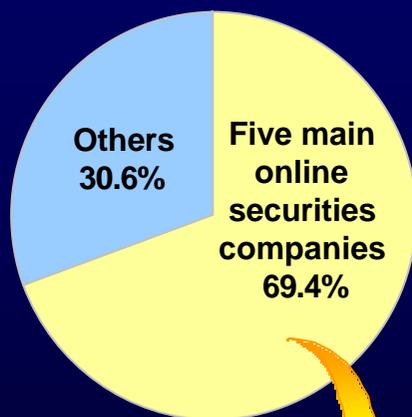
Note: Individual brokerage trading value is totaled from three exchanges (sections one and two) and JASDAQ. Monex Securities and Nikko Beans are totaled as Monex. Kabu.com Securities merged with MeNet Securities in January 2006.

1) Commission Earnings

Share of Individual Margin Trading Value for Main Online Securities

Trend in individual margin trading value share

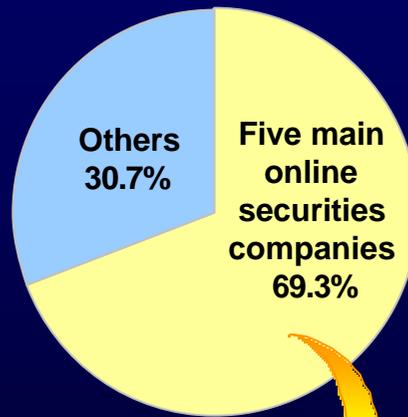
3Q FY 2004
(2004/4 to 2004/12)



SBI E*TRADE	28.1 %
Matsui Securities	21.5
Rakuten Securities	12.2
Kabu.com	7.7
Monex¹	n/a

Note 1: Monex Securities and Nikko Securities did not publish figures for April 2004.

3Q FY 2005
(2005/4 to 2005/12)

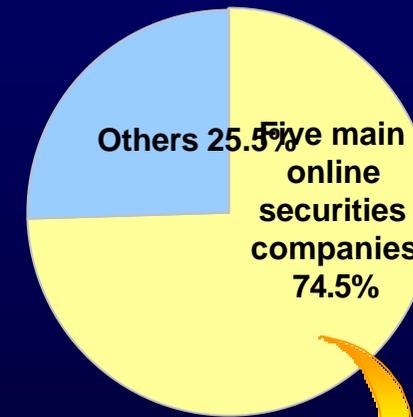


SBI E*TRADE	26.8 %
Matsui Securities	14.8
Rakuten Securities	12.2
Monex	9.1
Kabu.com	6.5

Source: Tokyo Stock Exchange statistical data, JASDAQ statistical data, and public documents from each company's website.

Note: Individual brokerage trading value is totaled from three exchanges (sections one and two) and JASDAQ. Monex Securities and Nikko Beans are totaled as Monex. Kabu.com Securities merged with MeNet Securities in January 2006.

3Q FY 2006
(2006/4 to 2006/12)

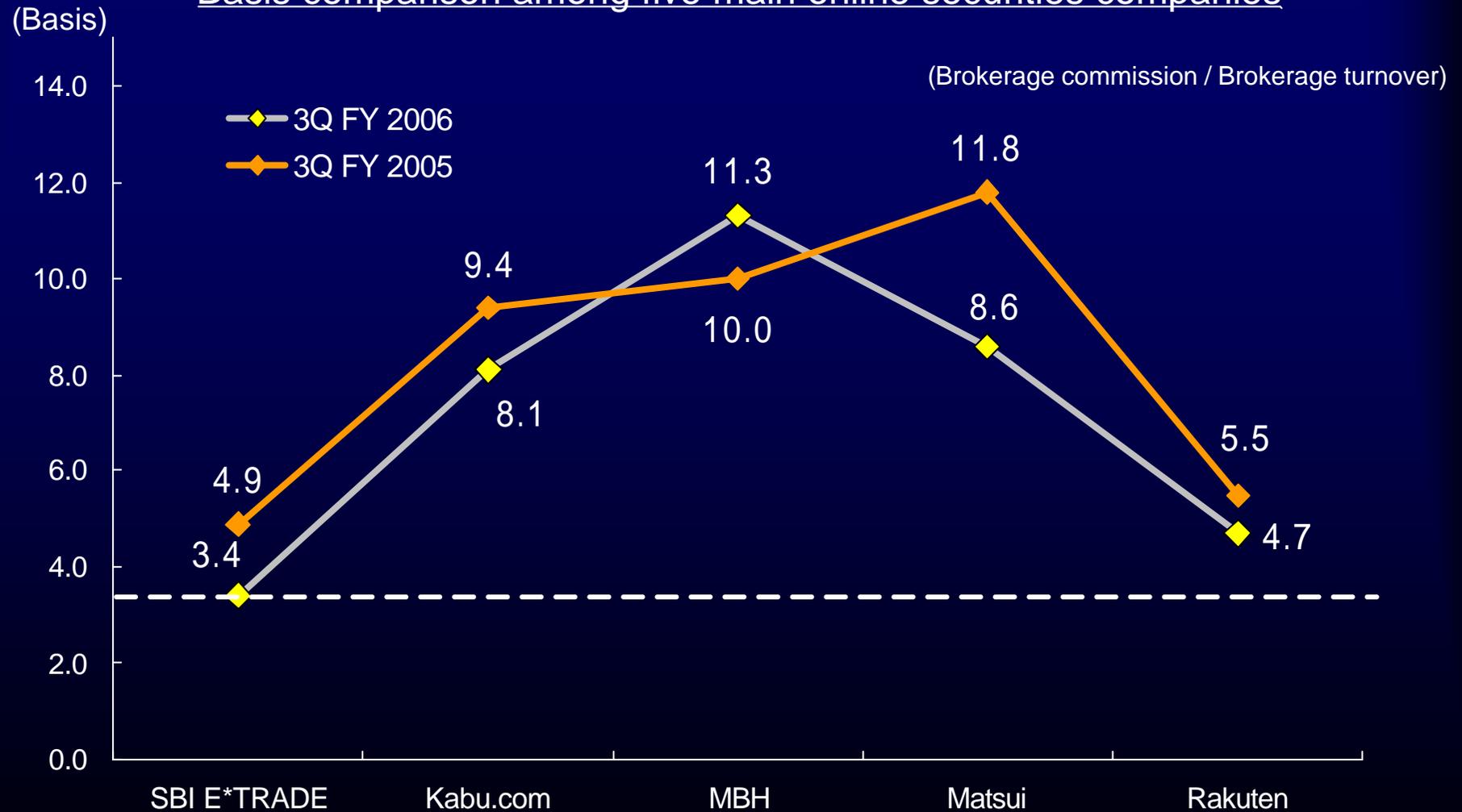


SBI E*TRADE	34.4 %
Rakuten Securities	14.8
Matsui Securities	12.1
Kabu.com	7.2
Monex	6.1

1) Commission Earnings

Basis Comparison for Main Online Securities Companies

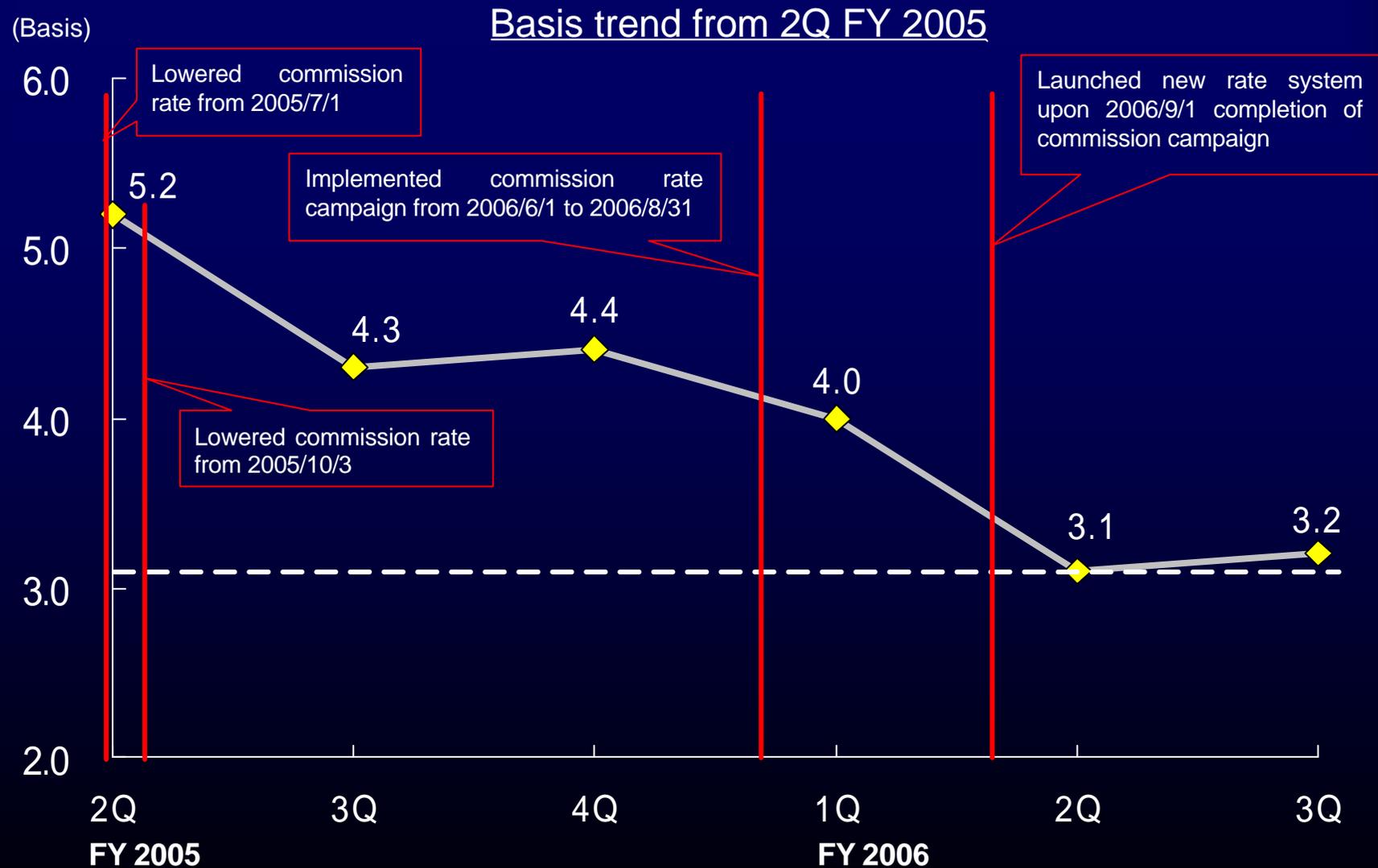
Basis comparison among five main online securities companies



Source: Prepared by E*TRADE using settlement of account documents from each company.

1) Commission Earnings

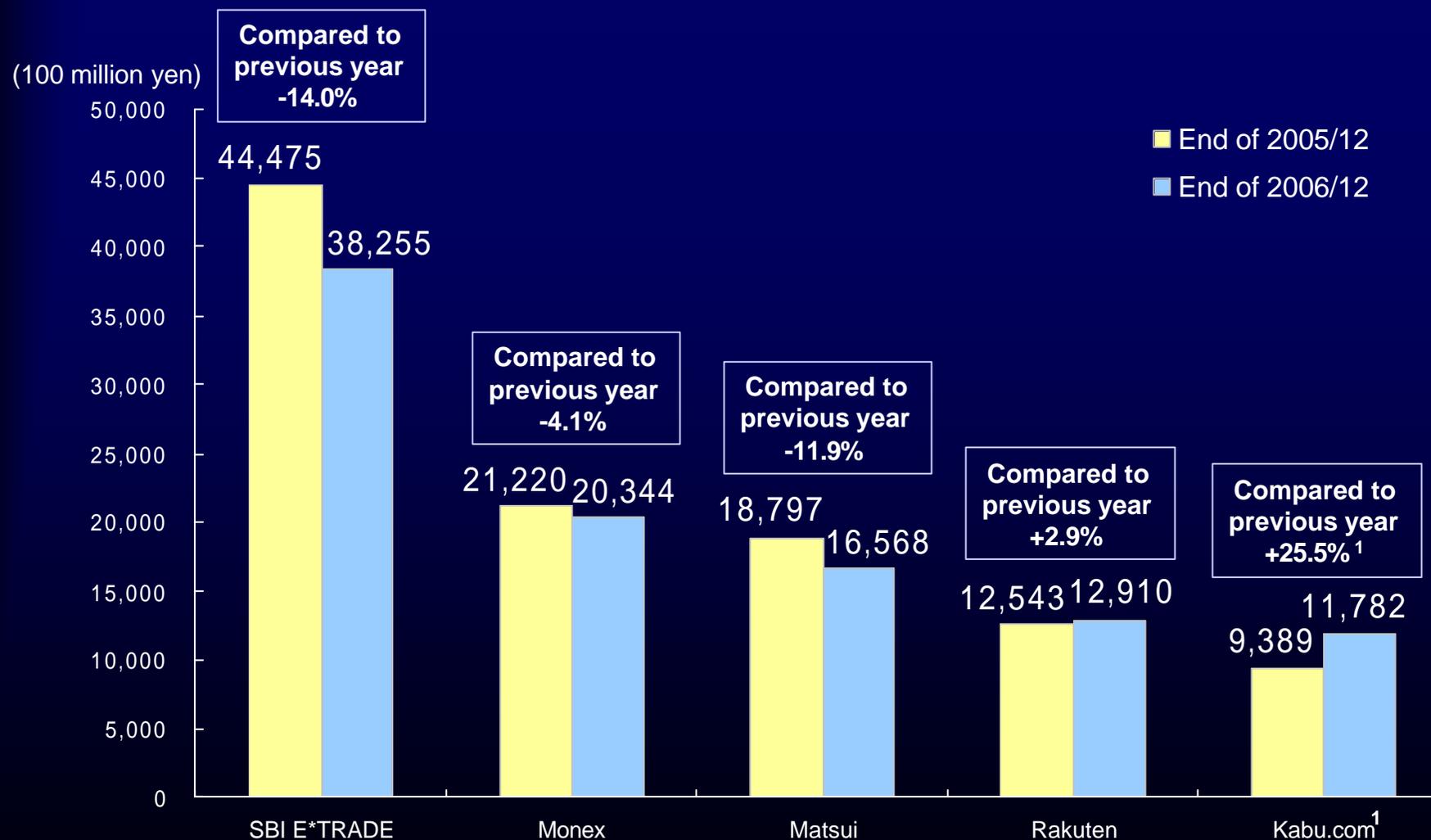
SBI E*TRADE SECURITIES Basis Trend



(Commission / Brokerage turnover) calculated every three months.

1) Commission Earnings

Client Asset Trend (Reference)



Source: Public documents from each company's website.
 Note: Kabu.com Securities merged with MeNet Securities in January 2006.

1) Commission Earnings

Expansion of Trading in Futures and Options

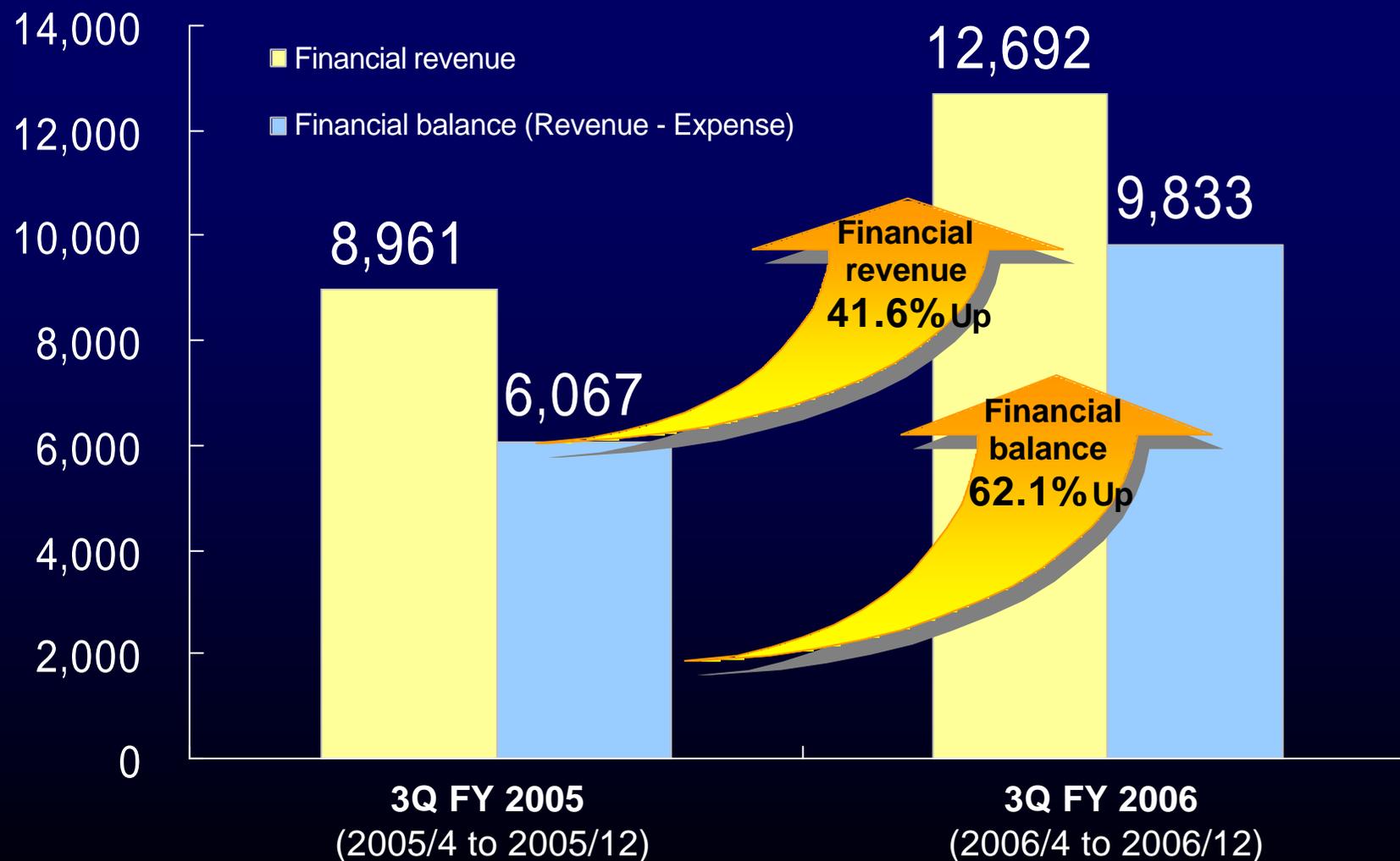
Trading in futures and options is a pillar of earning power and growing rapidly.
We expect further expansion in the future.



Performance Highlights

2) Consolidated Financial Revenue

(Million yen)



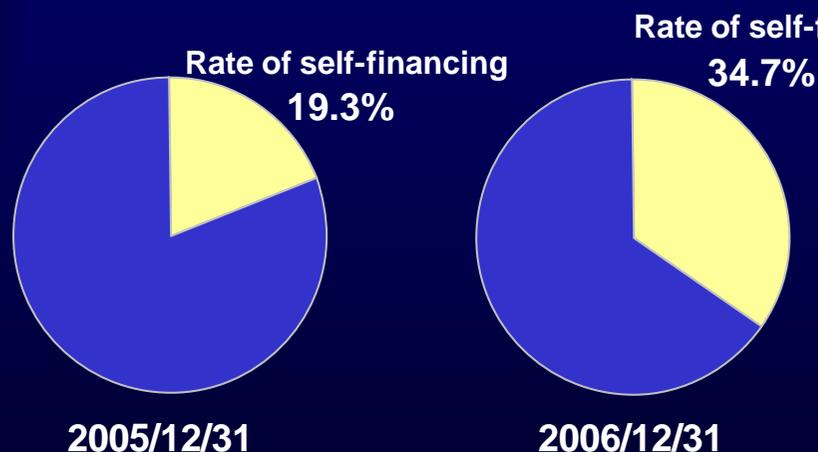
2) Financial Revenue

Expanding Financial Revenue over Expenses

Diversifying channels to raise funds helps to increase the rate of self-financing and to reduce financial expenses.

Diversification of fund sources for margin trading lending

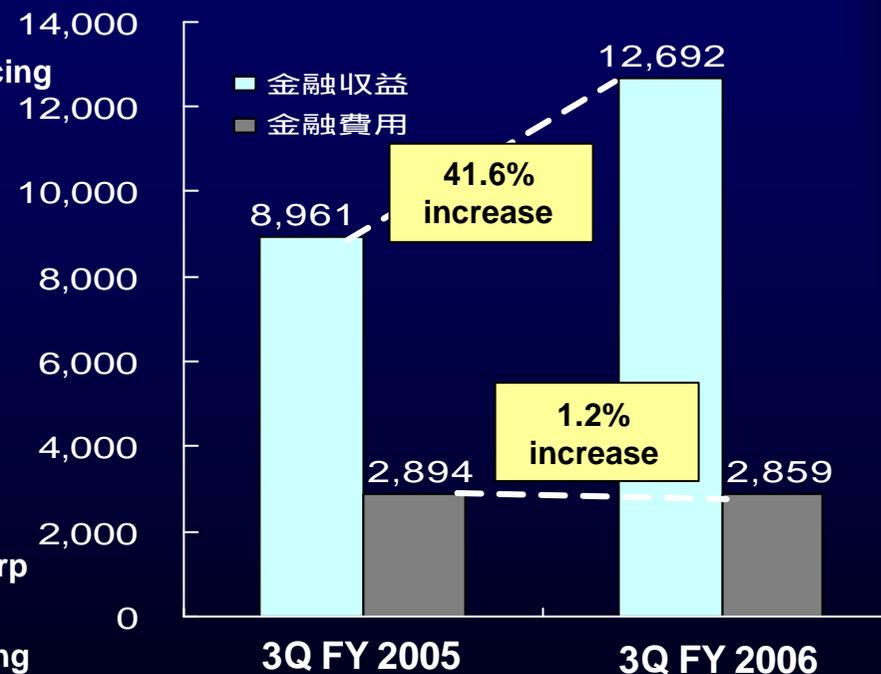
Rate of self-financing on margin balance



- More efficient fund management has led to sharp increase in financial revenue.
- New revenue sources are expanding such as the lending stock that uses collateral stock financing from the broker's own capital.

Consolidated financial revenue and financial expenses

(Million yen)

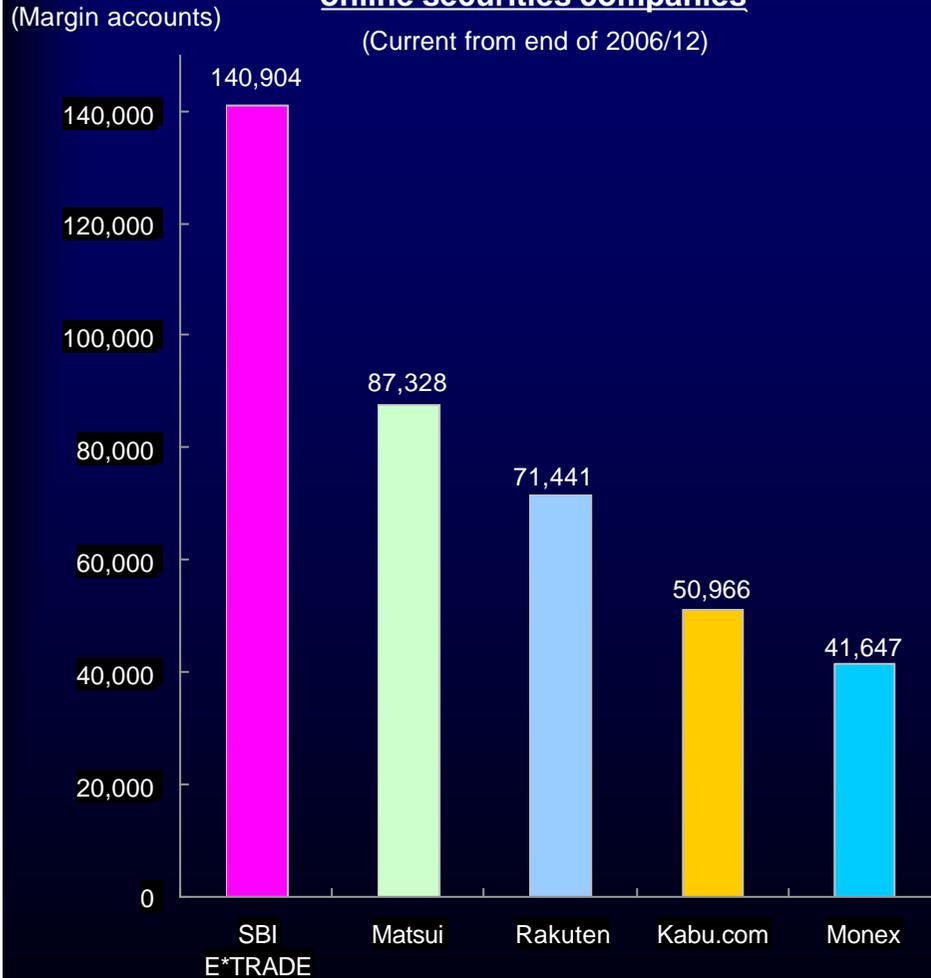


As margin trading accounts and margin open interest expand, cash management is being strengthened.

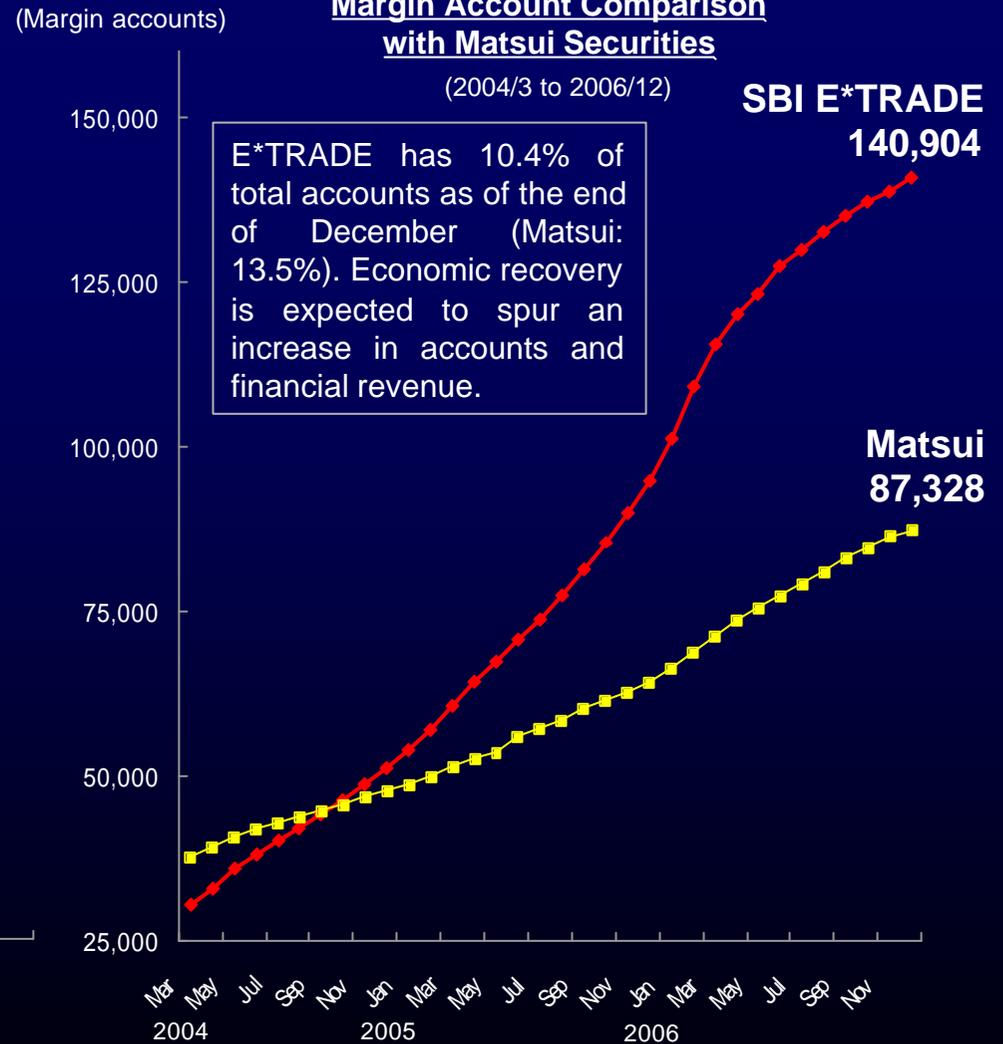
2) Financial Revenue

Margin Trading Account Comparison for Main Online Securities Companies

Margin trading accounts of five main online securities companies



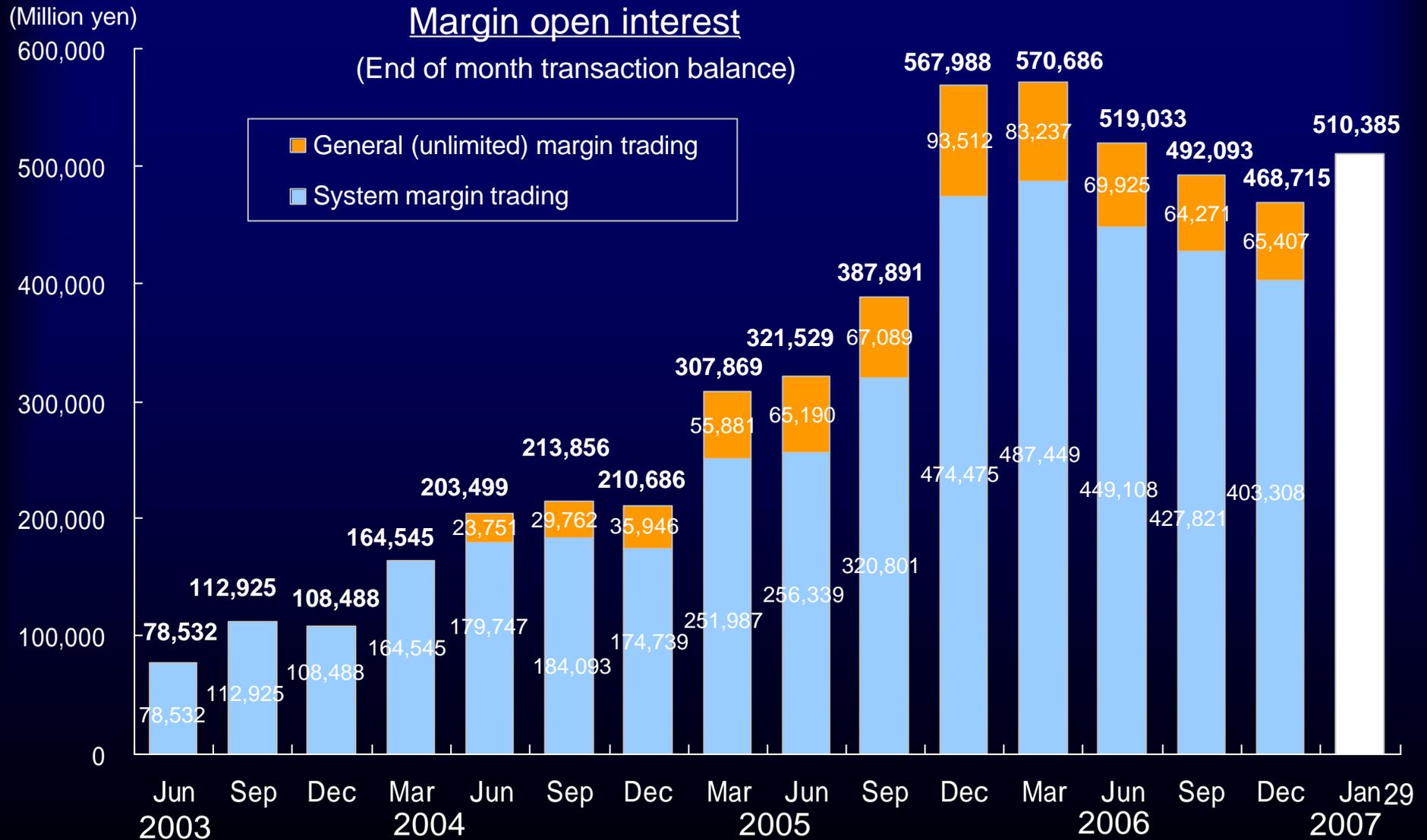
Margin Account Comparison with Matsui Securities



Source: Public documents from each company's website.

2) Financial Revenue

Margin Open Interest Trend



Note: Calculated from settlement day base. Figures for January 29, 2007 are preliminary contract base results.

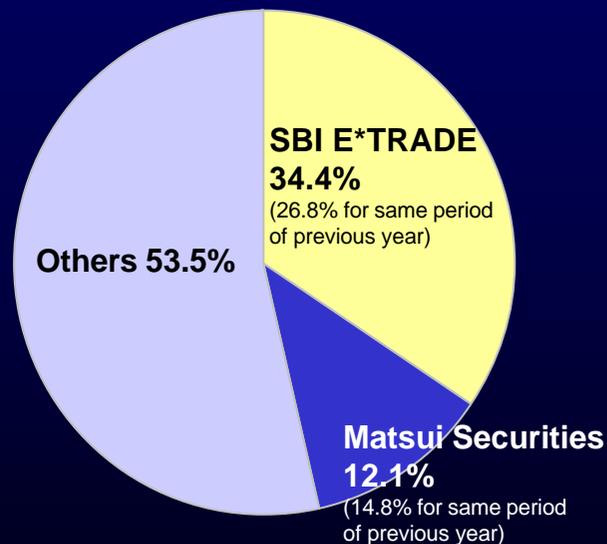
2) Financial Revenue

Margin Trading Comparison with Matsui Securities

The share of individual margin trading value increased by 7.6% over the same period in the previous term to 34.4%. Compared to the interim period (33.9%), the share gap has widened further.

Share of individual margin trading value

(Nine months from 2006/4 to 2006/12)

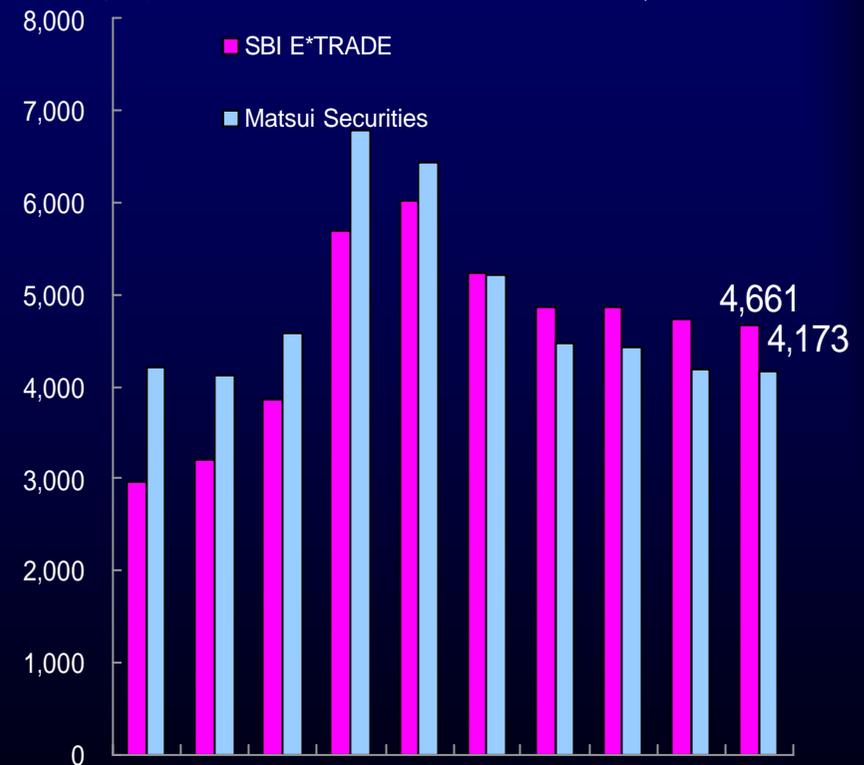


Source: Tokyo Stock Exchange statistical data, JASDAQ statistical data, and public documents from each company's website.

Note: Individual margin trading is totaled from three exchanges (sections one and two) and JASDAQ.

Margin open interest comparison with Matsui Securities

(100 million yen)



Mar 2005 Sep Mar 2006 Sep Nov

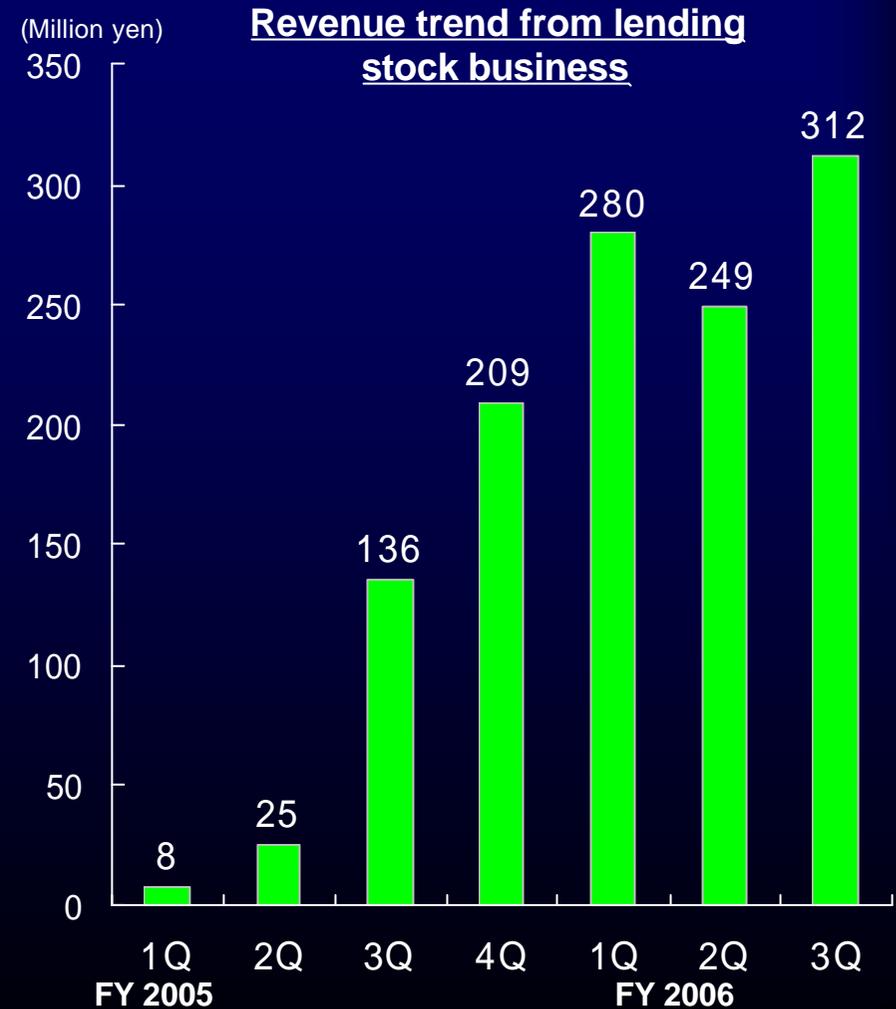
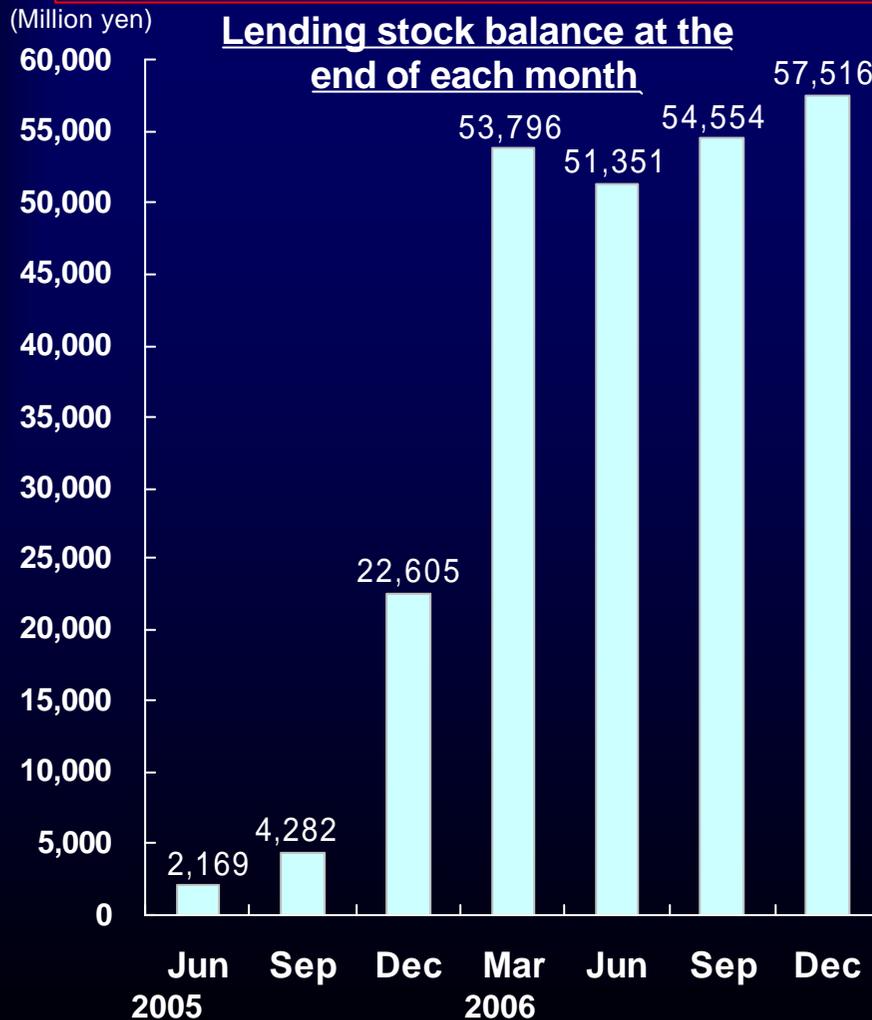
Source: Public documents from each company's website.

Figures are on a contract day base.

2) Financial Revenue

Expanding Revenues from Lending Stock Business

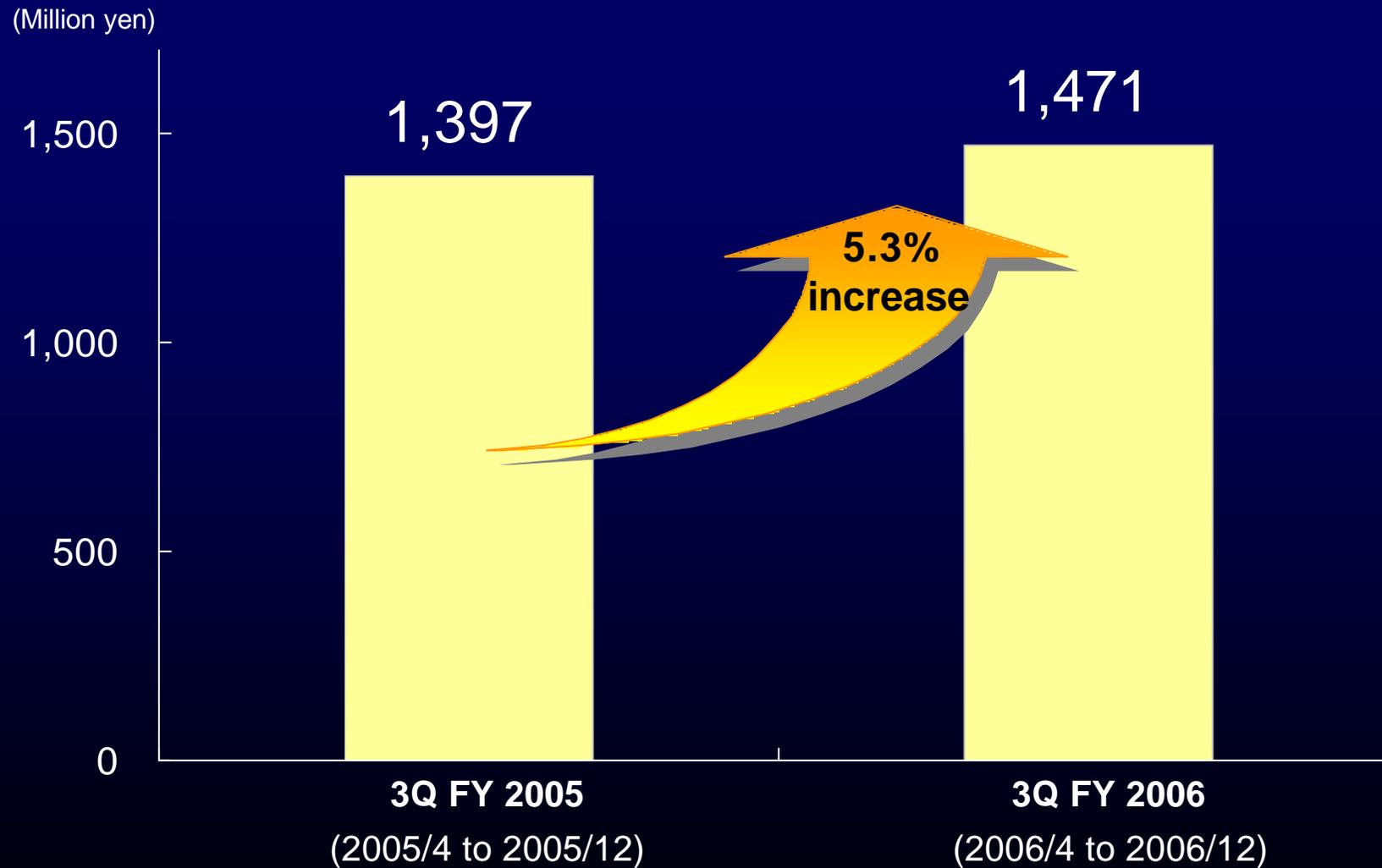
The third quarter had average monthly gains of 100 million yen, which contributed to the overall increase in financial revenue.

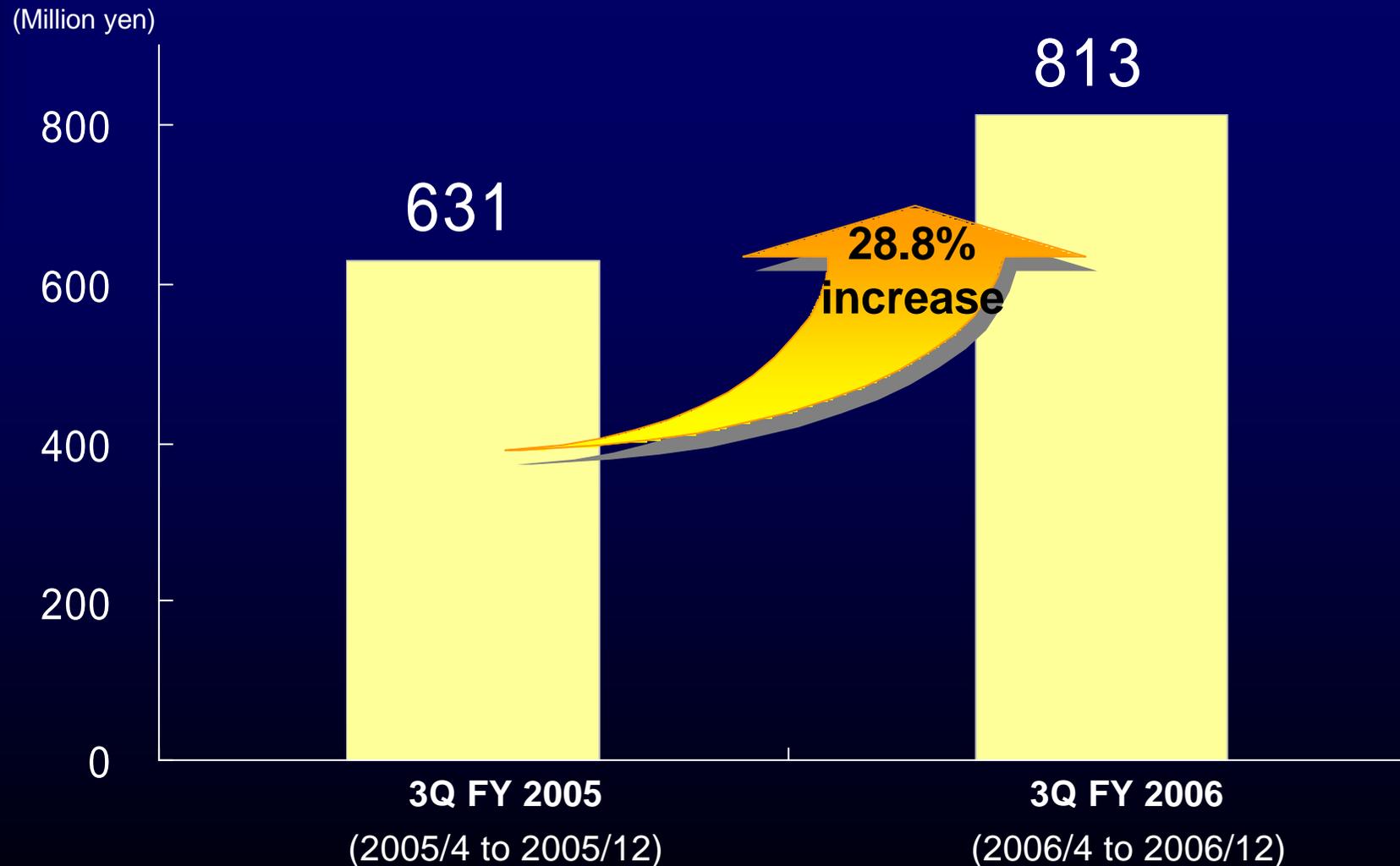


Note: Calculated using the market price at the end of each month.

Performance Highlights

3) Consolidated Commissions from Underwriting, Public Subscriptions, and Secondary Offerings



3) Underwriting and Other Commissions**Consolidated Commissions from IPOs and Public Offerings**

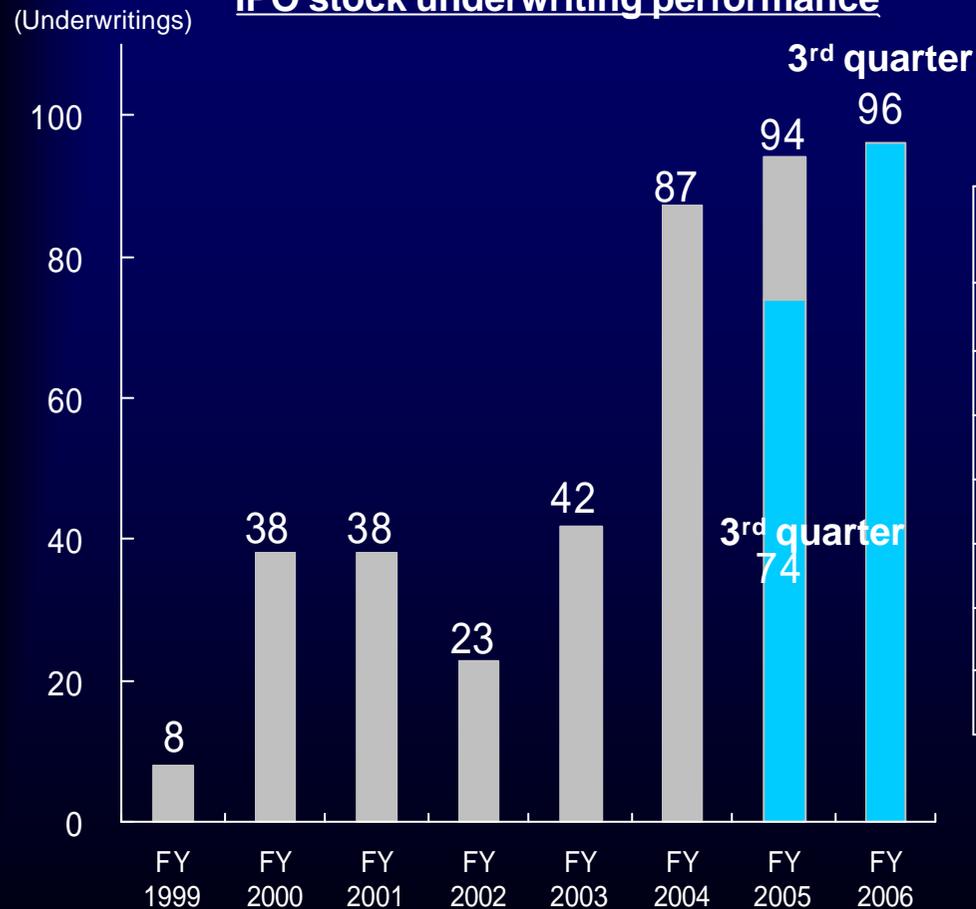
Note: These figures were calculated from commissions for underwriting, public subscriptions, and secondary offerings after excluding commissions related to bonds and investment trusts.

3) Underwriting and Other Commissions

IPO Underwriting Performance

SBI E*TRADE SECURITIES

IPO stock underwriting performance



IPO underwriting ranking

(2006/4 to 2006/12)

Top among all securities firms

Rank	Company name	Underwritings	Participation ratio (%)
1	E*TRADE SECURITIES	96 companies	66.7%
2	Mitsubishi UFJ Securities	96 companies	66.7%
3	Monex Securities	76 companies	52.8%
4	Shinko Securities	75 companies	52.1%
4	Nikko City Group	75 companies	52.1%
6	Nomura Securities	69 companies	47.9%
7	Daiwa Securities SMBC	66 companies	45.8%

Note: The data was collected as much as possible from public documents by E*TRADE. Data was collected from 2006/4 until 2006/12 for domestic underwriting of 144 companies (listing date base) undergoing an IPO, not including secondary offerings.

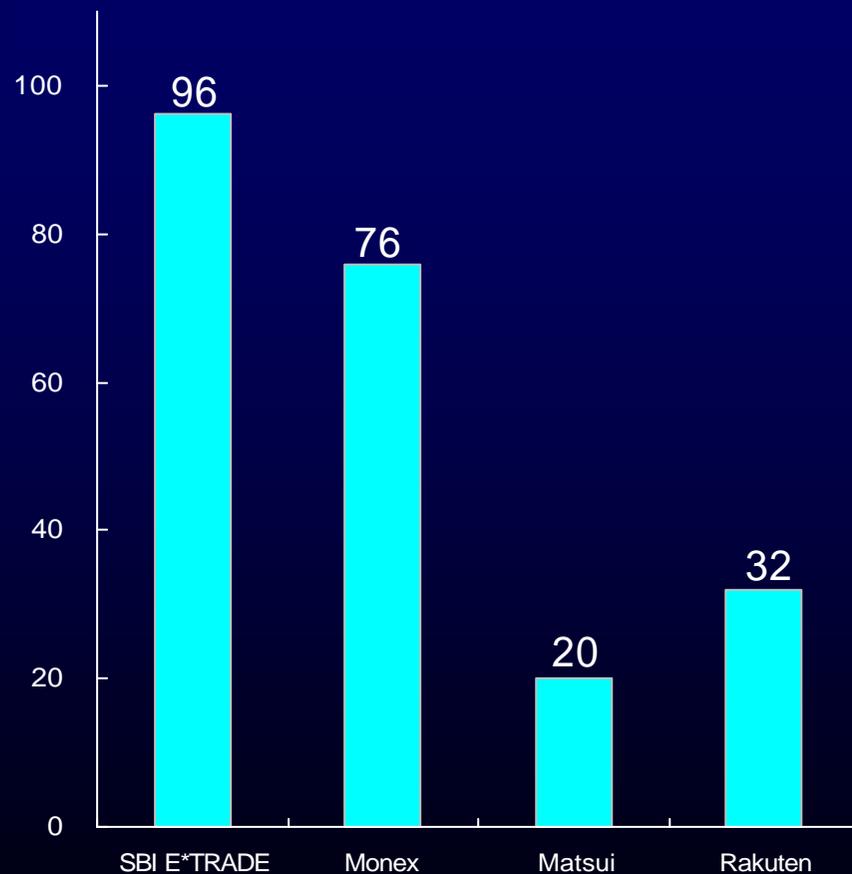
Note: Figures do not include listing date base, agency transaction, and real estate investment trust.

3) Underwriting and Other Commissions

IPO Underwriting Performance

Four main online securities companies

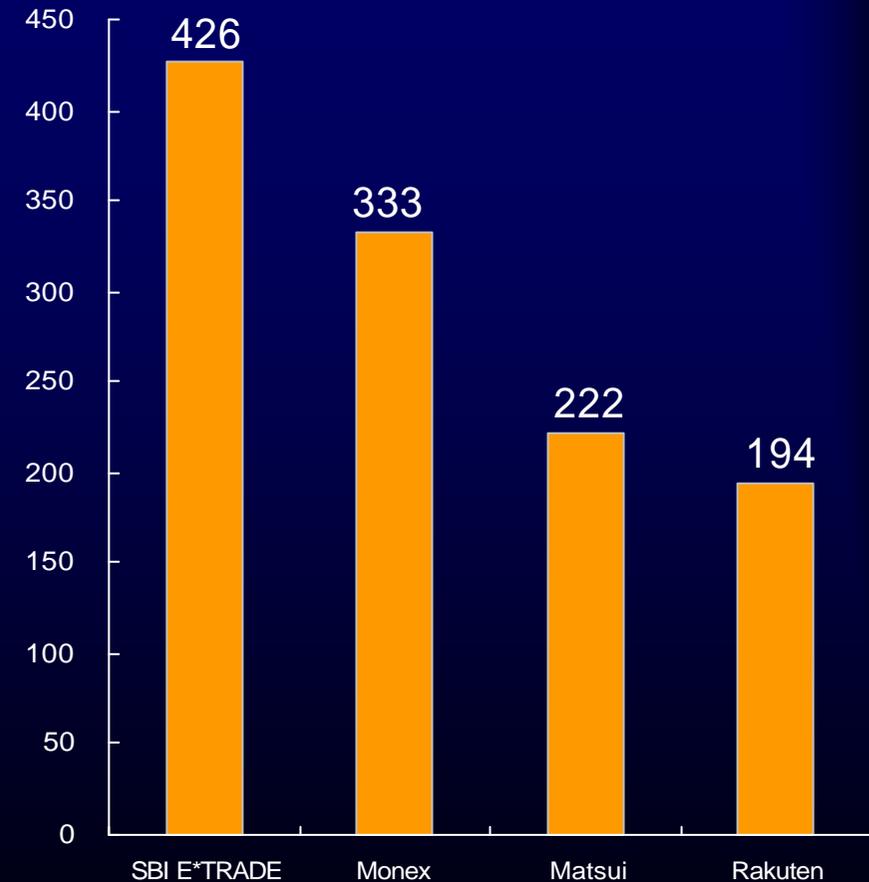
(Underwritings) Underwriting performance for 3Q FY 2006



Note: Figures include over allotment. Listing date base. Dealer agency not included.

Four main online securities companies

(Underwritings) Underwriting comparison



Source: Public documents at each company. The data is from the first day of online trading for each company to December 31, 2007 (Listing date base). Figures do not include agency transactions and real estate investment trusts.

3) Underwriting and Other Commissions

Approach to Lead Managing Underwriter for IPOs

Actively participate in lead managing underwriter operations to expand corporate business and underwriting commission revenue.

2nd case: Netage Group, Inc.

2006/8/30: Listing on Mothers (TSE)

SBI E*TRADE has also become the lead managing underwriter for 21 more companies (as of 2007/01/31).

3rd case: IREP Co., Ltd.

2006/11/16: Listing on Hercules (OSE)



In 2007, become more active as a lead managing underwriter and contribute more to total earnings through this business.

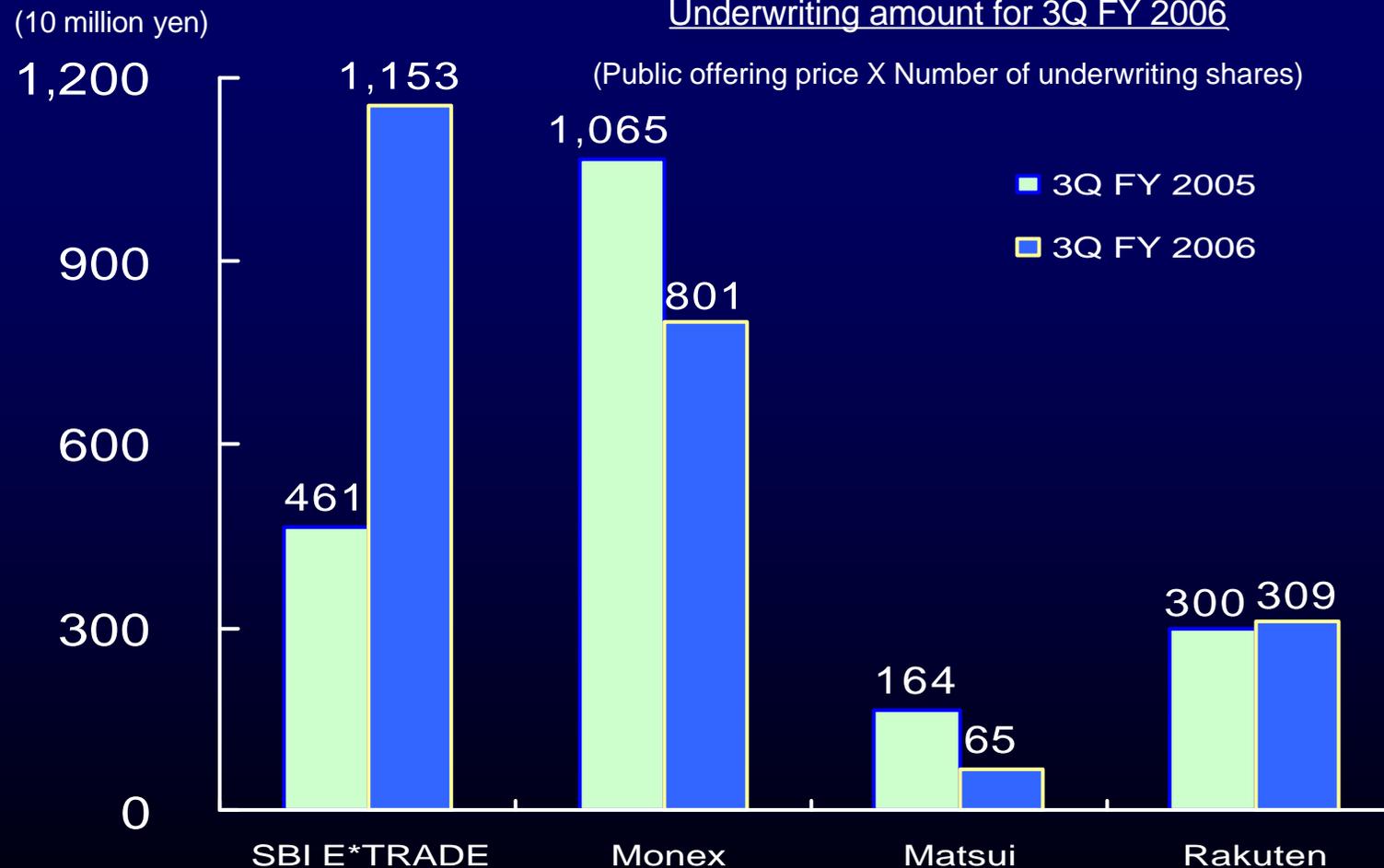
3) Underwriting and Other Commissions

IPO Underwriting Performance

Four main online securities companies

Underwriting amount for 3Q FY 2006

(Public offering price X Number of underwriting shares)



Source: Public documents at each company.

Note: Figures include over allotment, but do not include agency transactions and real estate investment trusts. Dealer agency not included. Listing date base as of 2006/12/31, excluding agency transactions and real estate investment trusts.

3) Underwriting and Other Commissions

Off-Floor Distribution Performance (Reference)

Performance on TSE, OSE, and JASDAQ

3Q FY 2006 (2006/4 to 2006/12)

Companies handled : 72 (3Q FY 2005: 93)

Distribution total : 23.7 billion yen (3Q FY 2005: 51.6 billion yen)

E*TRADE application total : 21.5 billion yen (3Q FY 2005: 111.9 billion yen)

Handling total : 5.2 billion yen (3Q FY 2005: 9.9 billion yen)

E*TRADE handling share : 22.2% (3Q FY 2006: 19.3%)

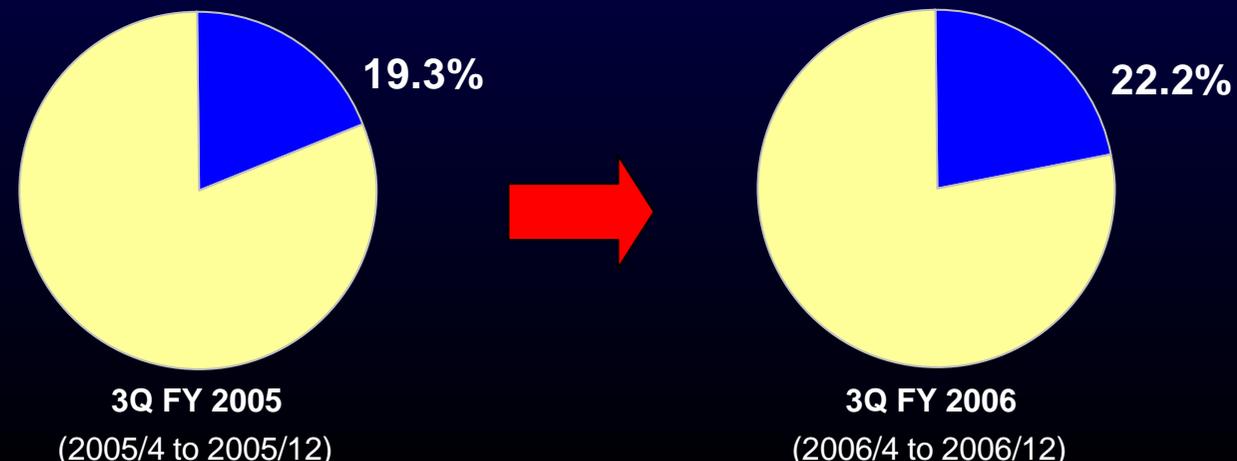
Note: Earnings from off-floor distributions include commissions.

Companies with off-floor distributions handled by E*TRADE

(3Q FY 2006)

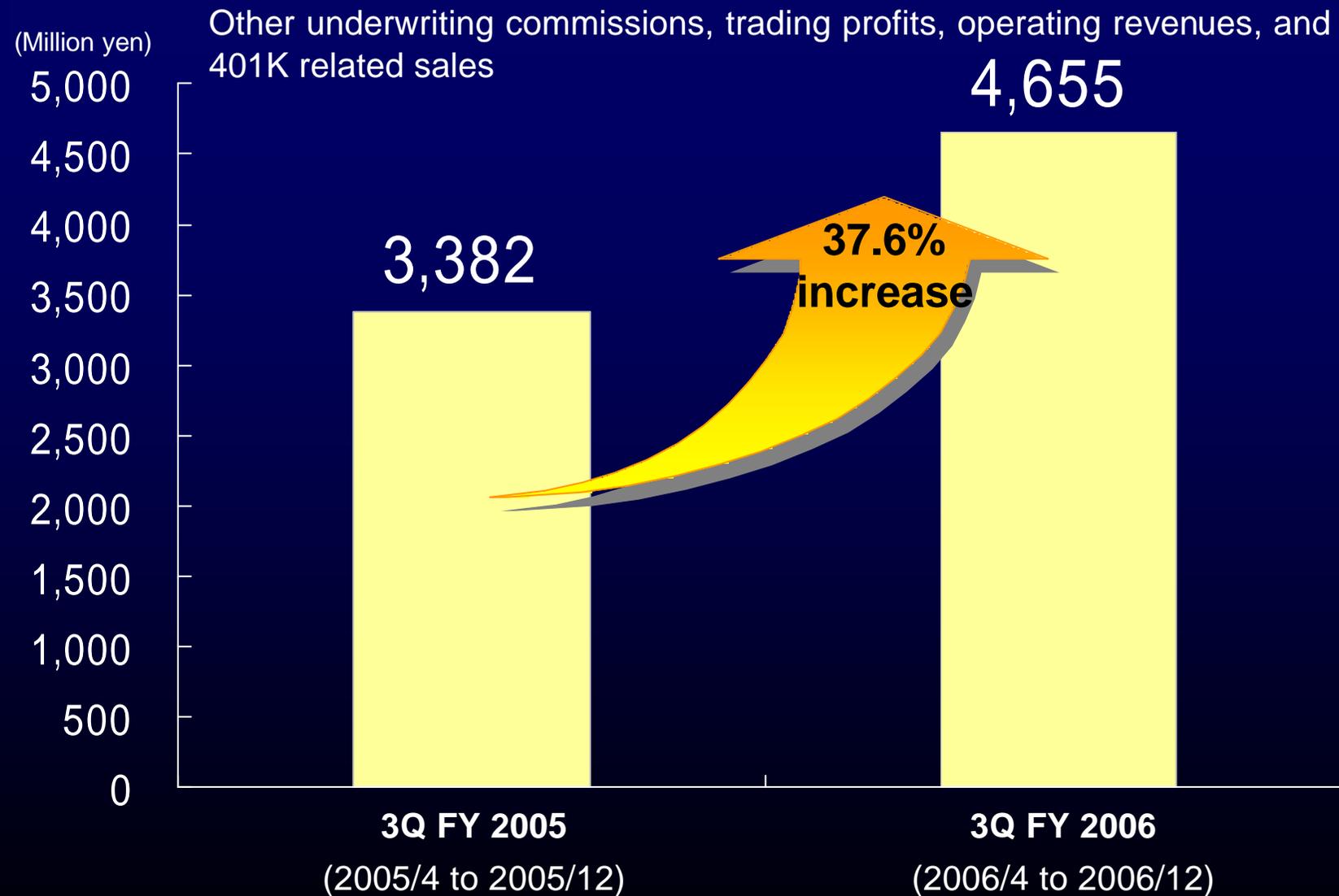
Date implemented	Company name	Stock exchange
2006/5/12	GAGA Communications	HC
2006/6/29	GEO	Tokyo Section 1
2006/8/ 1	Met's Corporation	Tokyo Mothers
2006/8/23	Eighting Co., Ltd.	Tokyo Mothers
2006/11/17	Kyoritsu Printing Co., Ltd.	Tokyo Section 1
2006/12/11	Forval Telecom Inc.	Tokyo Mothers

E*TRADE handling share trend



Performance Highlights

4) Consolidated Trading Profits and Other Earnings



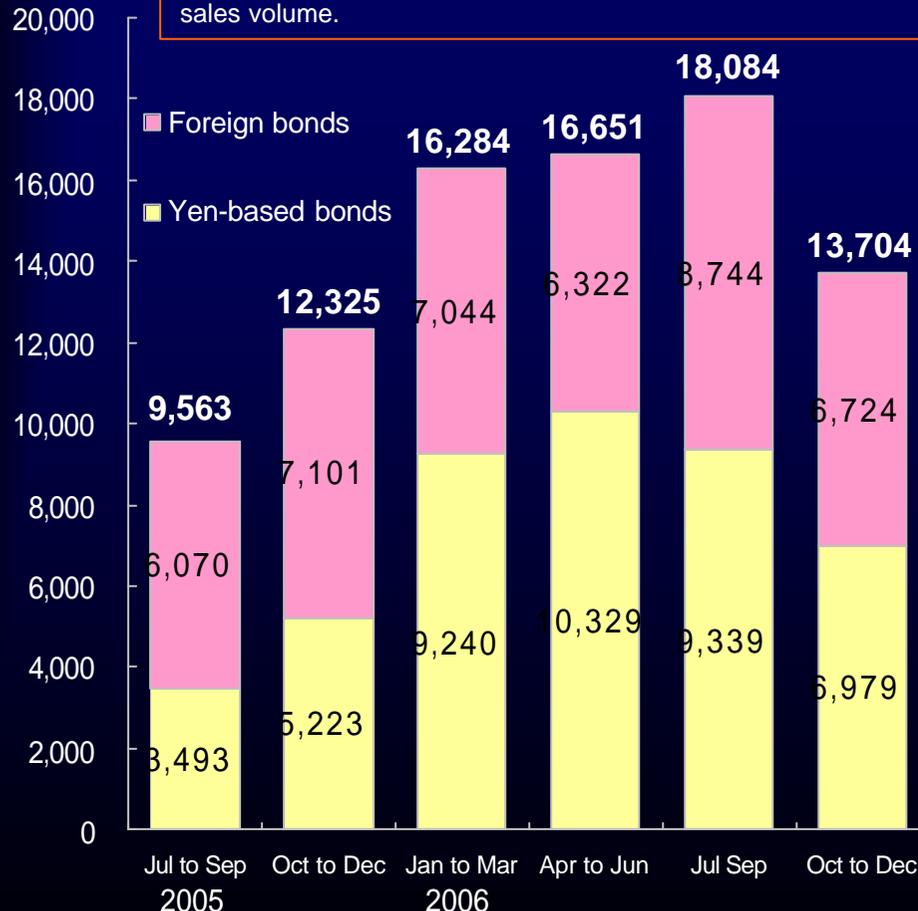
4) Trading Profits and Other Earnings

Bond and Other Product Performance

Bond sales (public and foreign)

The bearish market brought a slowdown in the sale of government bonds for individuals (yen denominated) and South Africa rand-based interest-bearing bonds. The "happy choice" campaign promotes future sales and helps increase sales volume.

(Unit: Million yen)

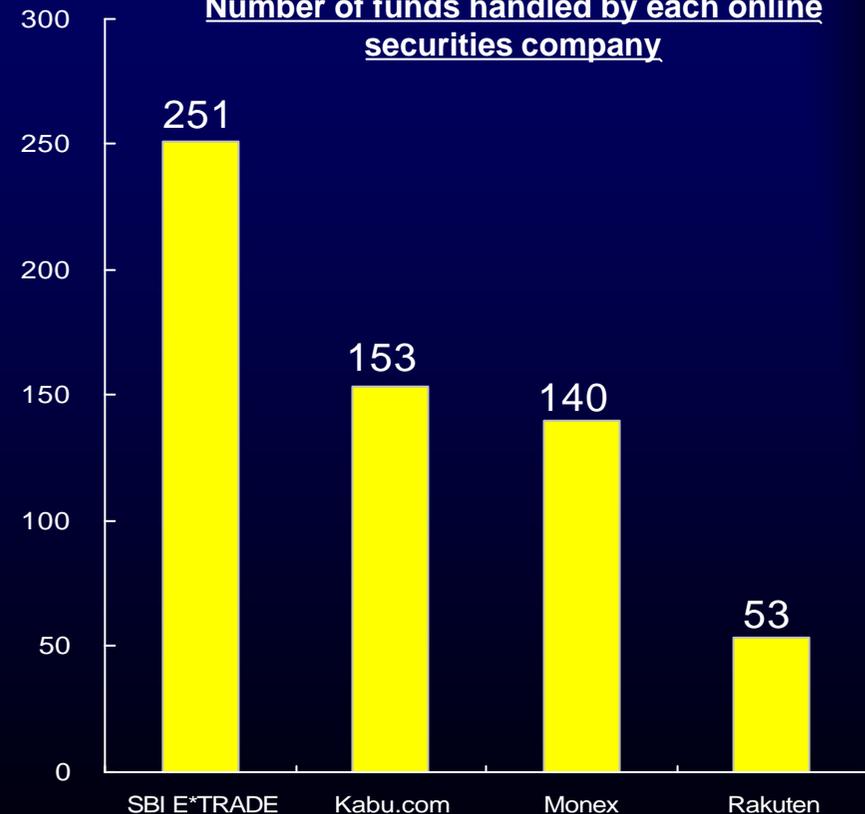


Note: Earnings from government bonds for individuals includes commissions from underwriting and secondary offering. Figures include agency transactions.

Handling over 250 types of investment trusts as a top class online securities company

SBI E*TRADE handles a wide variety of funds to match the diverse needs of individual investors.

Number of funds handled by each online securities company



Note: Compiled by SBI E*TRADE and current as of 2006/1/26. Commissions from investment trust operations are included in subscription/secondary offering commissions.

4) Trading Profits and Other Earnings

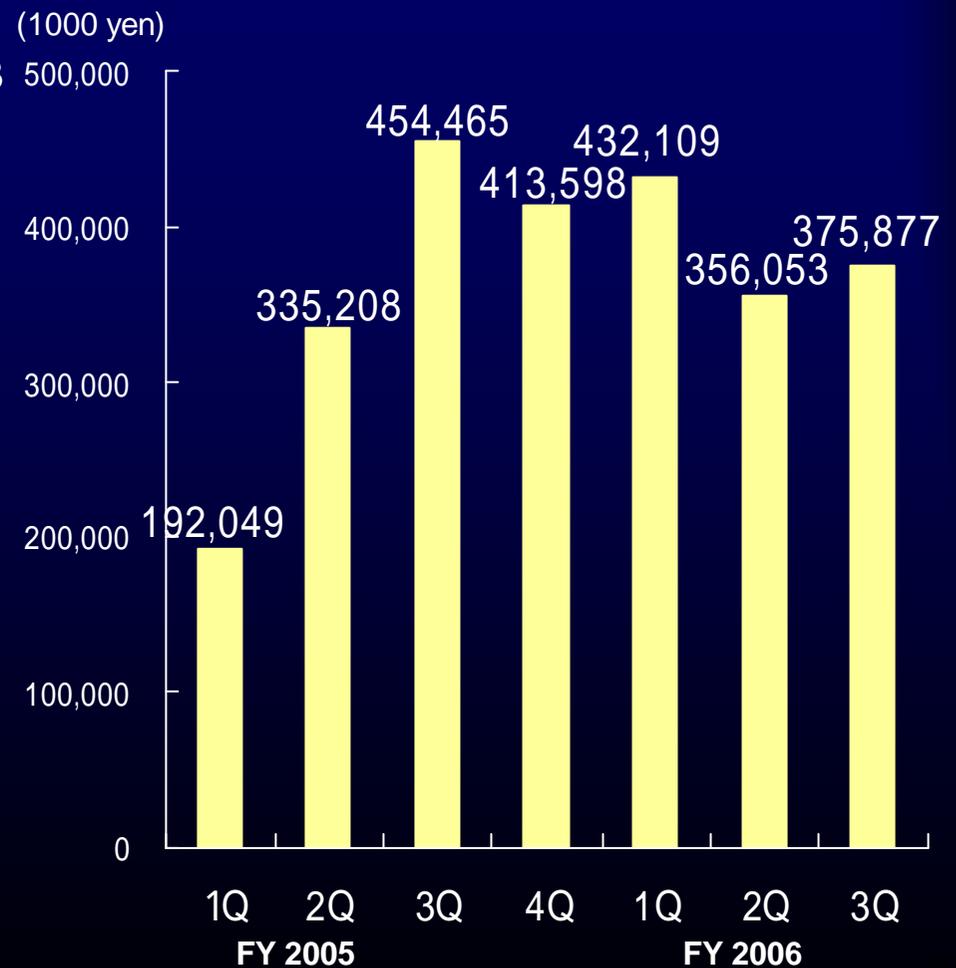
Expansion of FX Margin Trading

Earnings through the end of the third quarter have expanded steadily, up by 18.6%.

FX margin trading accounts



Earnings from FX margin trading



4) Trading Profits and Other Earnings

M&A Brokerage Activities

M&A brokerage activities are expected to grow as a core feature of investment banking.

Anticipate the needs and conditions of a customer's industry and offer a comprehensive growth strategy.



Note 1: From the start of online business to 3Q FY 2006

As management strategy, arrange proposals from a broad perspective, including standardized M&A methods.

3Q M&A brokerage performance: 2 cases (1 completed)

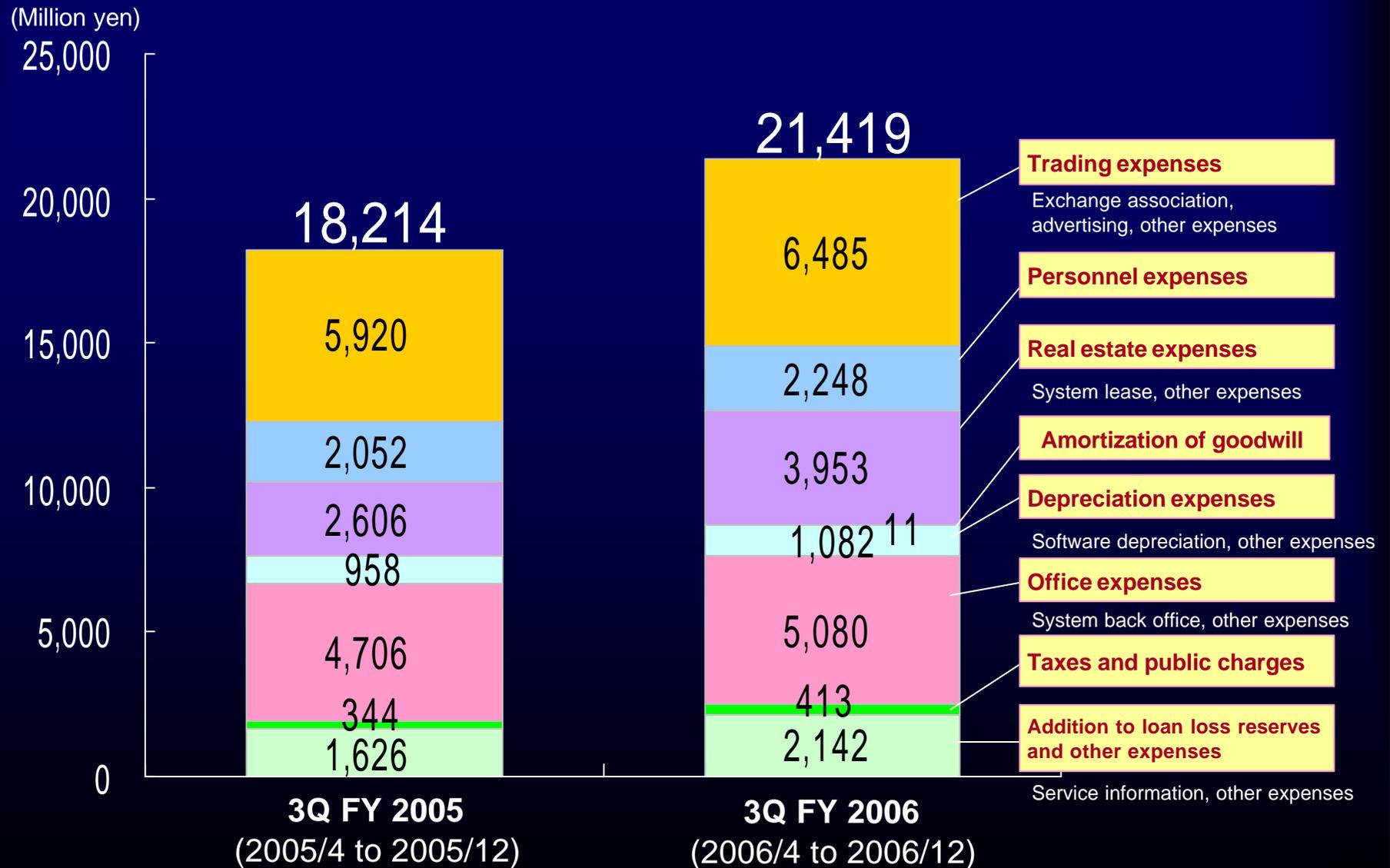
3Q M&A brokerage commission: 150 million yen (included as earnings: 1 case)

Current M&A activity: 12 cases

Support the total growth strategy of an enterprise and expand corporate business.

Performance Highlights

5) Consolidated Sales and General Management Expenses



Performance Highlights

3Q FY 2006 Performance of E*Trade Korea Co., Ltd.

(Unit: Million yen, %)

	3Q FY 2005 (2005/4 to 2005/12)	3Q FY 2006 (2006/4 to 2006/12)	Compared to same period in previous year
Operating revenue	3,461	4,283	+23.7
Net operating revenue	3,333	4,030	+20.9
Operating profit	664	1,107	+66.6
Ordinary profit	666	1,114	+67.3
Quarterly net profit	535	776	+45.0

6) E*TRADE Korea

E*TRADE Korea Outlook



SBI E*TRADE is achieving growth in revenue and profit through expansion of customer accounts and trading value share.

Outlook (as of 2006/12/31)

- Stock capitalization: 56 billion Korean won
- Investment ratio: 87%
- Accounts: 120,591
- Brokerage trading value: 36.6109 trillion won
(Interim FY 2006)

Main strengths

- The lowest online commission rate in Korea (Stock: 0.024%)
- Online investment consulting (video, audio, chat)



Towards listing on KOSDAQ

- Planned listing date: February 21, 2007
- New shares issued: 2,000,000
- Total shares after issue: 13,200,000
- SBI E*TRADE investment ratio after issue: 73.8%
- Issue price: 6,500 won per share (845 yen¹)
- Impact on consolidated performance of SBI E*TRADE SECURITIES in FY 2006

290 million yen in estimated profit on sales¹

Note 1: 1 won = 0.13 yen (as of 1/29)

2. Main Business Tasks During Third Quarter

2. Main Business Tasks in Third Quarter

Main Tasks 3Q FY 2007

A bullet mark ("•") indicates a service release and a yellow asterisk ("*") indicates a business decision/alliance.

Month	Task content	Indicator trend
April	* <u>Cooperated with Sumitomo Trust Bank in the market promotion business.</u>	Total securities accounts top 1.2 million
May	<ul style="list-style-type: none"> Enhanced the system to handle 1.75 million accounts. Launched bond lottery and gift certificate service (Informal name: Happy Choice). * <u>Cooperated with Kanto Tsukuba Bank in the market promotion business.</u>	
June	<ul style="list-style-type: none"> Lowered the commission rate on stocks traded over the Internet (Active Plan lowest rate: 0 yen). Launched lower stock commission rate campaign (Until August 31). Raised the open interest limit when starting a margin trading account (From 50 to 100 million yen). Covered all market making issues. * <u>Cooperated with Chuo Mitsui Trust Bank in the market promotion business.</u>	Individual brokerage trading value share exceeded 30% on a monthly basis (See note)
July	<ul style="list-style-type: none"> Enhanced the system to handle 2.0 million accounts. Launched i-appli trading tool "HYPER MOBILE Lite," which is compatible with FOMA 700i series and newer models. * <u>Agreed with Rakuten Securities and SBI Securities to jointly prepare for launch of evening trading.</u>	
August	<ul style="list-style-type: none"> Lowered commission rate for Nikkei 225 futures trading. * <u>Acquired additional stock of SBI Benefit Systems Co., Ltd. and made it a subsidiary.</u>	
Sep	<ul style="list-style-type: none"> Implemented large rate reductions on stock commissions and regular commissions. Started accepting new account applications from persons under age. Launched "Golf Membership Market" service in cooperation with E-Golf Co., Ltd. Added news feature "Kabushik Shimbun Update" (10-minute delay). * <u>ORIX Securities and GMO Internet Securities decided to participate in preparation of evening trading system.</u>	Total securities accounts top 1.3 million

(Note) Source: Tokyo Stock Exchange statistical data, JASDAQ statistical data, and public documents from each company's website. Individual brokerage turnover in individual margin trading is totaled from three exchanges (sections one and two) and JASDAQ.

2. Main Business Tasks in Third Quarter

Main Tasks 3Q FY 2007

A bullet mark ("•") indicates a service release and a yellow asterisk ("*") indicates a business decision/alliance.

Month	Task content	Indicator trend
Oct	Launched a "commission cash back campaign" for new accounts.	
Nov	Launched securities brokerage service with OMC Card. Released version 2.0 of the trading tool HYPER E*TRADE. Announced lower free usage conditions for HYPER E*TRADE from January.	
Dec	Launched securities brokerage service with So-net M3. * <u>Cooperated with Shonai Bank in the market promotion business.</u> * <u>Passed the preparation inspection for listing E*Trade Korea Co., Ltd on the KOSDAQ market.</u>	

2. Main Business Tasks in Third Quarter

HYPER E*TRADE Version 2.0 Release

Improvements in service information and trading environment promote active trading.



New features

Useability improvements	It is possible to show hot stocks and rankings in part of the window.
Information improvements	It is possible to show more individual issue information (e.g. PER, dividend yield) A stock futures index appears in a popup window. And it is possible to make stock transactions while looking at price movements in real time. Added the Shikiho News Alert (Toyo Keizai Inc.), with over 2,800 volumes distributed in FY 2005.
Visibility improvements	New fonts have been added and the navigation buttons have been improved. (Fonts and backgrounds can be customized.)

Lower free usage conditions starting from January 2007

Until December 2006	From January 2007
<u>40 or more</u> domestic contracts during the previous monthly period (contract day base)	<u>10 or more</u> domestic contracts during the previous monthly period (contract day base)

2. Main Business Tasks in Third Quarter

Securities Brokerage Expansion

Diversify account acquisition channels for individual investors. Up to now it has been difficult to capture individual accounts alone without cooperation with other companies.

November 2006 service launch



OMC Card, Inc.

Main business: Credit card service

Card members: 8.46 million nationwide (2006/8/31)

Member characteristic: 60% female

Encourage new account applications through website and news pamphlet for women members.

December 2006 service launch



So-net M3, Inc.

Main business: Medical services using the Internet

Doctor members: 136,000 nationwide (2006/9/30)

53% of Japanese total

Member characteristic: Broad age range from physicians in their 20s to 60s

Encourage new account applications through lifestyle information portal for medical professionals.



September 2005 service launch



Currently, alliance with four companies



October 2005 service launch



3. Future Business Development

3. Future Business Development

1) Comprehensive online securities company

- Maintain our "customer-centric principle"
- Further development the two essential features of a comprehensive online securities company: Retail business and corporate business
- Establish stable earnings structure

2) Corporate business promotion

- Expand investment banking
- Actively engage in M&A brokerage activities
- Strengthen structure of corporate business divisions

3) Other future developments

- Prepare launch evening trading market
- Release stop limit order function in February
- Offer global investment products
- Take advantage of potential synergies with the community service business of SBI Holdings
- Plan to offer variable annuity services
- Plan to offer lending stock services, which customers highly demand

1) Comprehensive Online Securities Company

Management Philosophy and Basic Policy

Management Philosophy

Total "customer-centric principle"

Offer the lowest commission rate system in the industry and the highest quality service.



Significantly reduce the cost of investment

Provide abundant high-quality investment information

Offer attractive investment products

Provide a safe and stable trading environment

Capture the largest market share in the industry.

Customer accounts

Brokerage trading value

Client assets

Capture an overwhelming share of business, expand business opportunities, and achieve stable earnings.

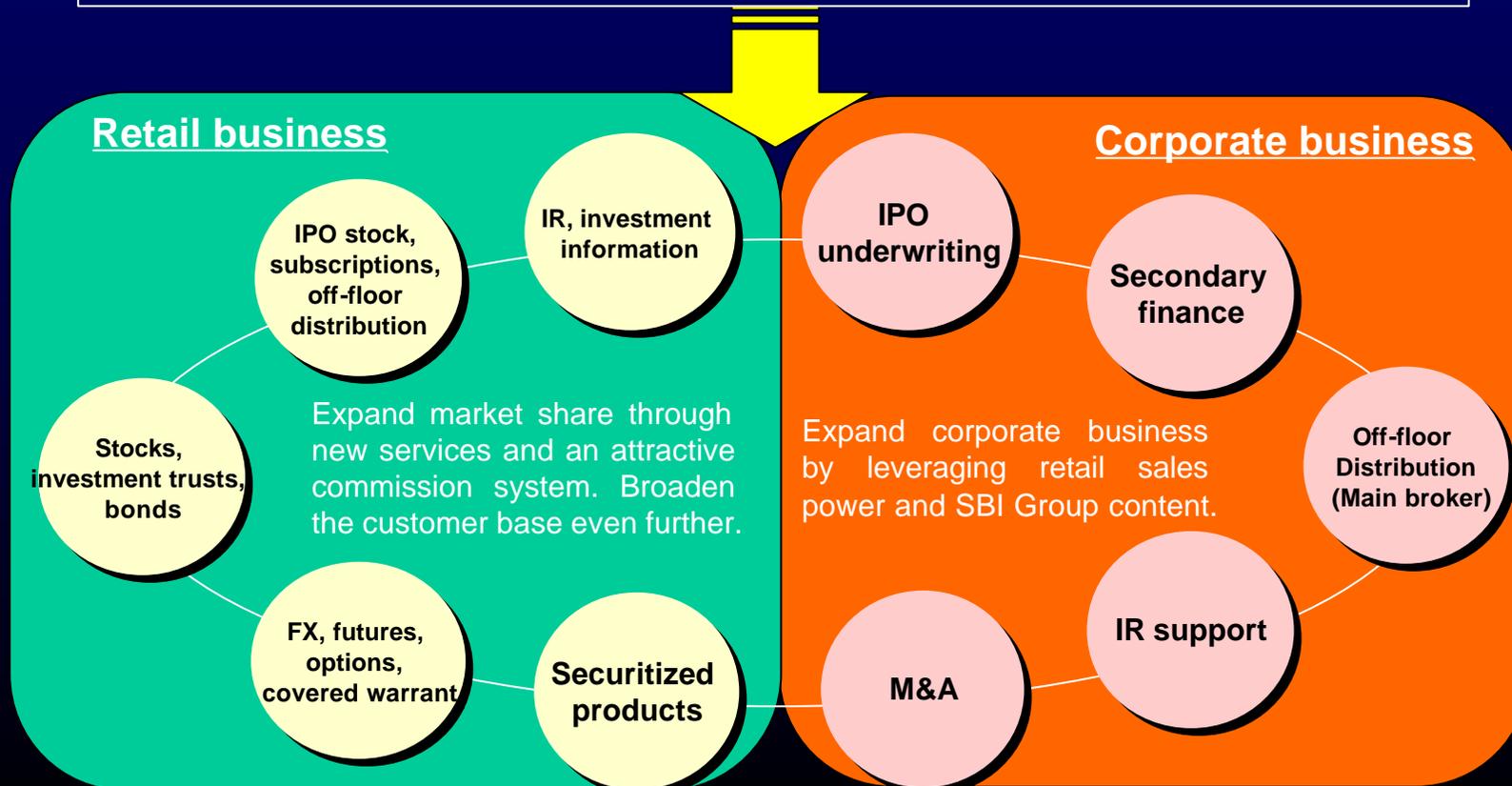
1) Comprehensive Online Securities Company

Expand Corporate Business as a Comprehensive Online Securities Company

Build a stable earnings structure by developing corporate business that leverages the retail customer base.

Overwhelming customer share: **1,351,576 accounts** (As of 2006/12/31)

Expanding share of individual brokerage trading value: **29.2%** (As of 3Q FY 2006)

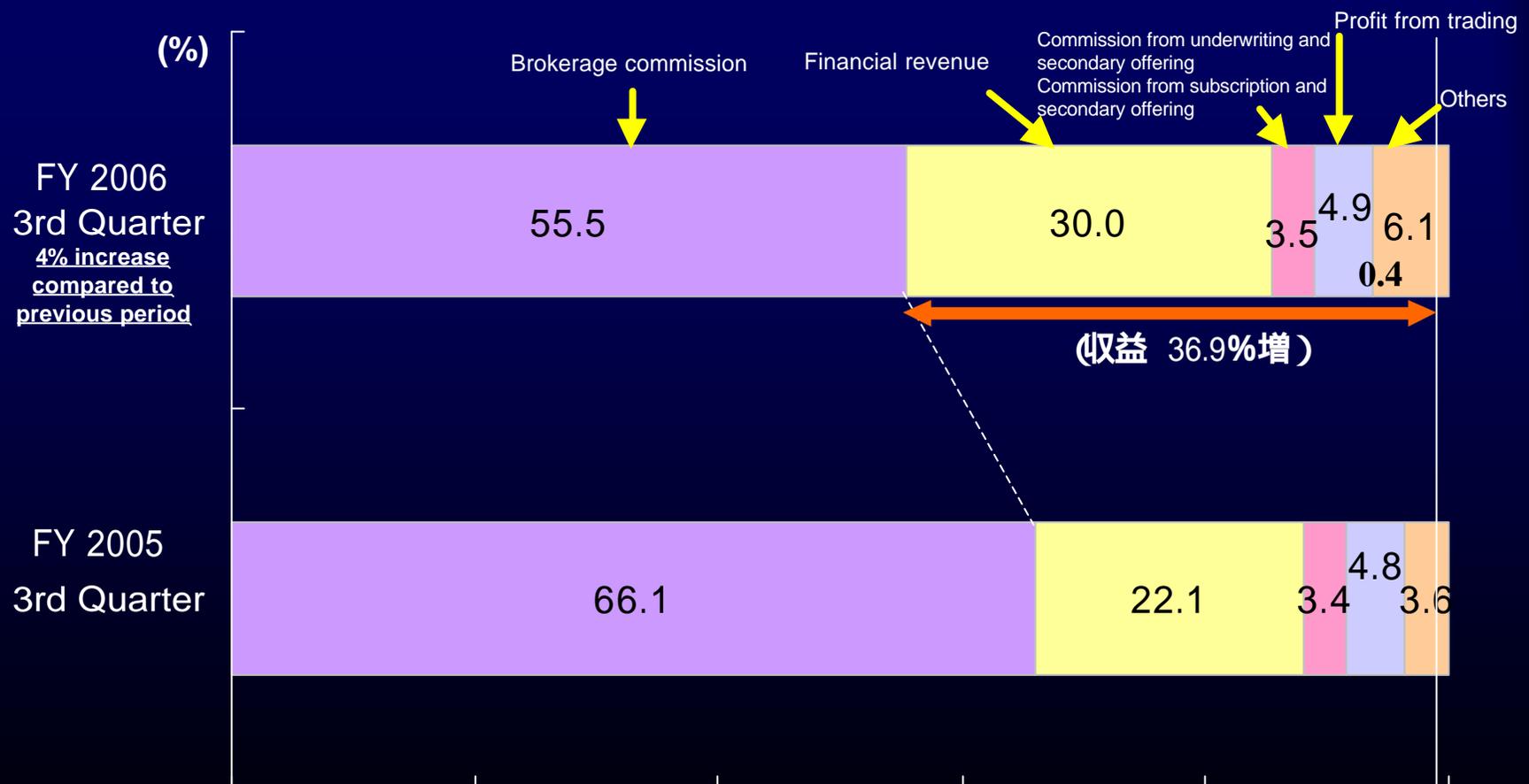


1) Comprehensive Online Securities Company

Establish Stable Earnings Structure

Build an earnings structure not influenced by market conditions.

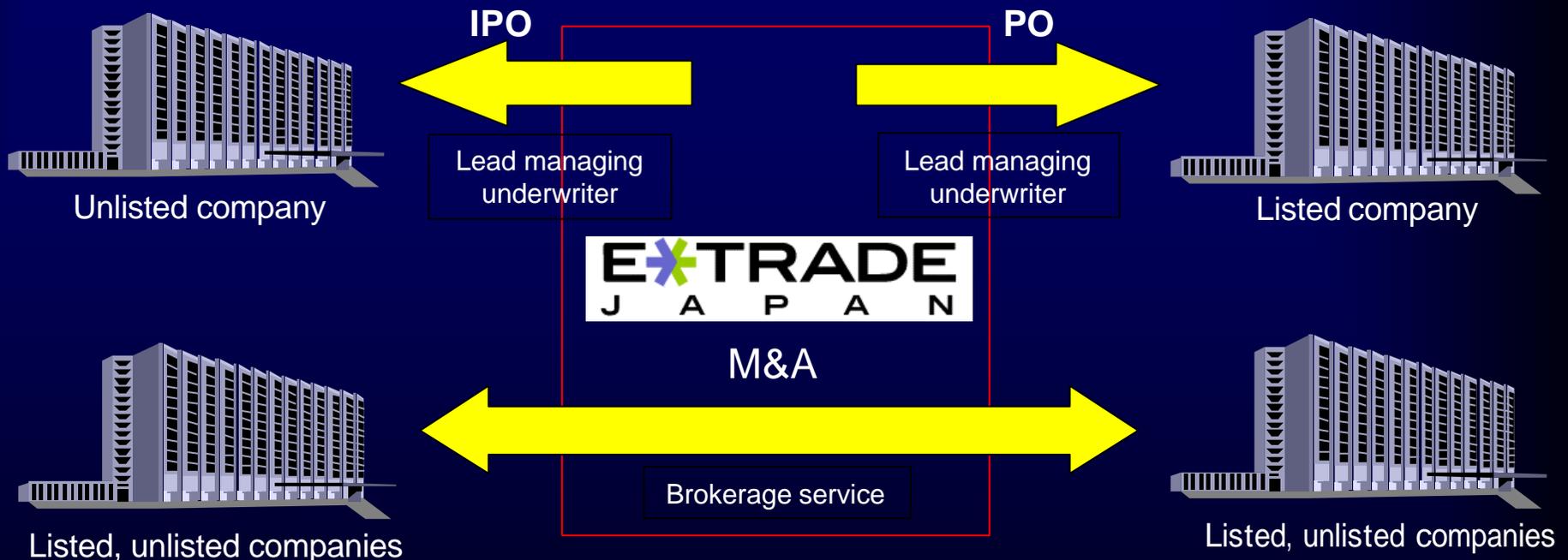
SBI E*TRADE operating revenue distribution ratio



2) Corporate Business Promotion

Expand Investment Banking

Use various methods to expand the business of our customers.



Meet the diverse needs of listed and unlisted companies.

3Q FY 2007 lead managing underwriter performance: 2 companies

Underwriting share of 20% or more: 6 companies

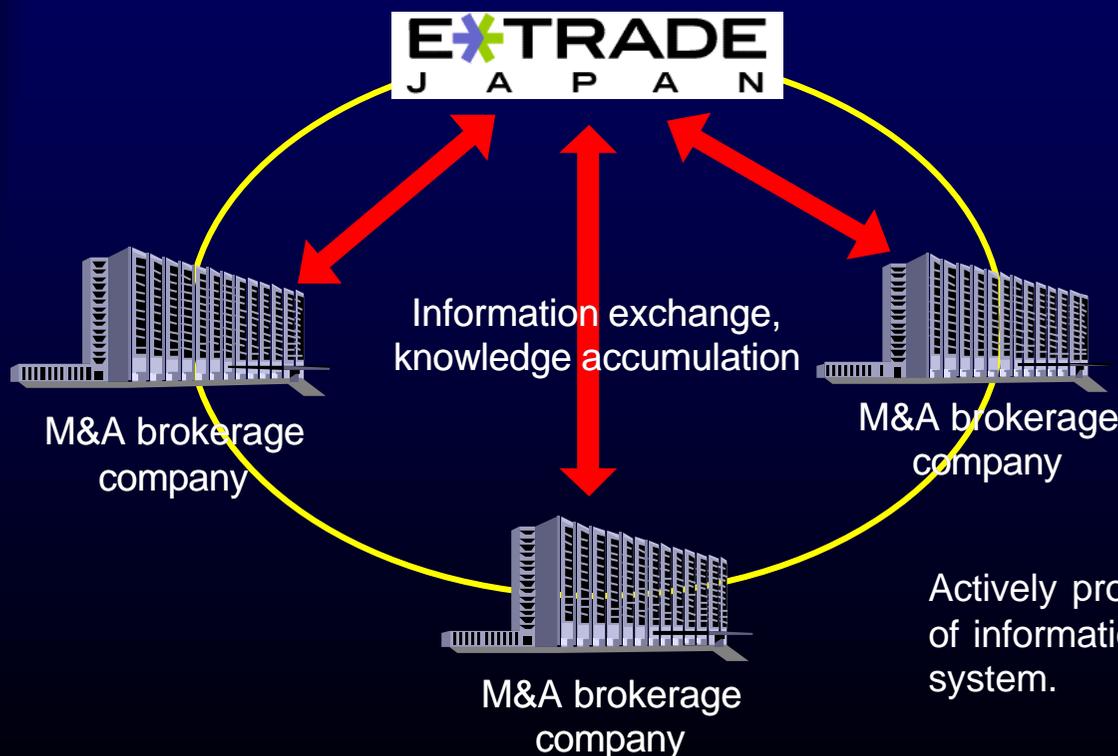
3Q M&A brokerage performance: 2 cases (contract base)

2) Corporate Business Promotion

Actively Engage in M&A Brokerage

Network with M&A brokerage companies

To offer optimum enterprise solutions, SBI E*TRADE is strengthening information collection capability and alliance networking.



- Expand opportunities to match enterprise needs through collect of information from a wide range of sources.
- Gain essential expertise towards expanding M&A brokerage services.

(Ex.) Human resource training through case study research



Actively promote the M&A business through expansion of information resources and enhancement of skills and system.

2) Corporate Business Promotion

Strengthen Structure of Corporate Business Divisions

Strengthen corporate structure for the expansion of investment banking

Maintain a corporate structure that offers support services before public listing, at the time of listing, and after listing.



Along with staff increase, enhance the quality and volume of operations.

Current as of 2006/3/31

Current as of 2007/1/31

24 staff



32 staff

Continue to enhance the corporate structure and strive towards higher earnings in corporate business.

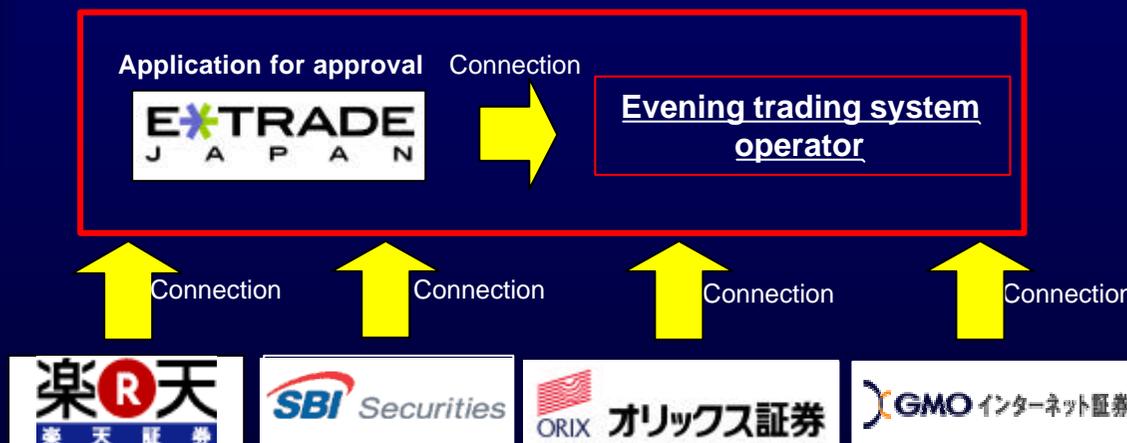
3) Other Future Developments

Prepare Launch of Evening Trading Market

Aim to launch the evening trading market next year at the earliest possible time.

Image of evening trading market

Proprietary trading system (PTS)



E*TRADE plans to apply to the Financial Service Agency for PTS approval. Each securities company that participates connects to the trading system operator. Depending on the outcome of ongoing examinations, E*TRADE may handle settlement of account operations.

Service content under examination

Trading launch	March 2007
Time frame	20:00 to 23:50 (Plan)
Price determination method	Auction
Type of trading	Domestic stocks (Spot, general funds)
Target stocks	Issues from TSE, OSE, Nagoya Stock Exchange, Sapporo Stock Exchange JASDAQ (Including market make issues), but details are undecided
Bid and price limit	Same as stock exchanges

All details about the launch and content of evening trading are subject to approval by the Financial Service Agency.

3) Other Future Developments

February Release of Stop Limit Order Function

In February 2007, plan to add a much anticipated order function.

56.6% of SBI E*TRADE customers are company employees (as of 2006/12/31).

It is difficult to place an order on the exchange during trading hours.

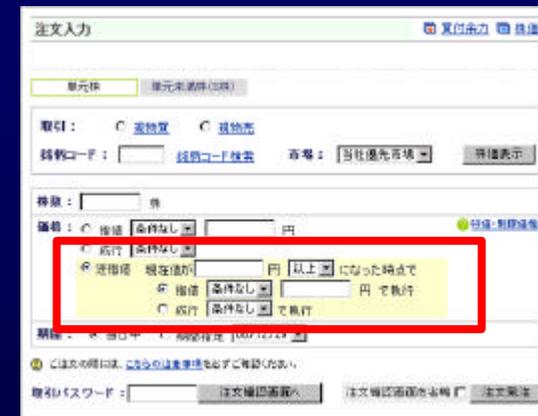


Inability to place an order equals an opportunity loss.



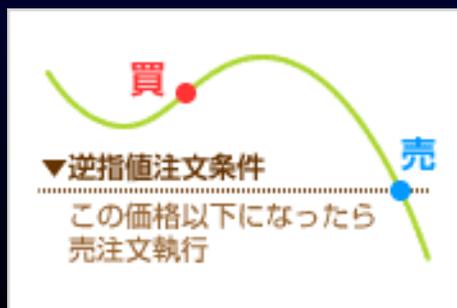
Offer a reliable environment in which to place orders.

Order input window under development

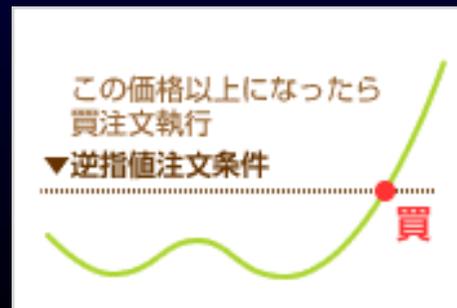


Usage method example

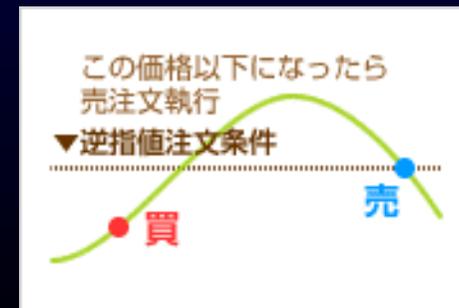
Prevent loss from expanding



Don't miss a chance to buy



Ensure profit upon selling



3) Other Future Developments

Synergies with Community Service Business of SBI Holdings

Provide an investment information exchange portal to support asset formation of individual investors.

New Community Service Business Division of SBIH



In April 2007, as a first step, launch a community portal aimed at attracting SBI E*TRADE customers.

The community portal will be a place to obtain more useful information to support the asset formation of individual investors.

3) Other Future Developments

Offer Global Investment Products

Expand currency pairs for FX margin trading.

Trading volume is expanding smoothly as FX trading provides an effective method to diversify risk.

Currently handling 14 currency pairs

通貨ペア	買値	売値	変動	前日	100円相当	100円相当	100円相当	100円相当	100円相当
米ドル-円	159.82	159.81	130.05	+	4.04	130.05	130.05	-117.79	米ドル 米ドル 米ドル 米ドル
ユーロ-円	166.88	166.87	166.88	+	0.26	166.22	166.78	-118.78	米ドル 米ドル 米ドル 米ドル
ポンド-円	238.24	238.23	237.00	+	0.26	237.32	238.07	-349.151	米ドル 米ドル 米ドル 米ドル
豪ドル-円	94.68	94.69	94.04	+	0.59	94.90	94.39	-307.78	米ドル 米ドル 米ドル 米ドル
ニュージーランド-円	83.26	83.27	83.32	+	0.24	83.83	83.28	-178.78	米ドル 米ドル 米ドル 米ドル
シンガポール-円	102.87	102.78	102.71	+	0.11	102.82	102.81	-118.94	米ドル 米ドル 米ドル 米ドル
南アフリカ-円	16.55	16.56	16.54	-	0.01	16.90	16.53	-82.53	米ドル 米ドル 米ドル 米ドル
人元-円	15.28	15.28	15.22	-	0.02	15.55	15.48	81.08	米ドル 米ドル 米ドル 米ドル
香港ドル-円	15.43	15.41	15.41	-	0.01	15.40	15.43	-178.78	米ドル 米ドル 米ドル 米ドル
韓国ウォン-円	12.88	12.88	12.80	-	0.02	12.82	12.88	-178.78	米ドル 米ドル 米ドル 米ドル
豪ドル-円	16.37	16.38	16.31	-	0.07	16.73	16.33	-443.150	米ドル 米ドル 米ドル 米ドル
ユーロ-円	26.37	26.48	26.41	-	0.03	26.96	26.39	-112.08	米ドル 米ドル 米ドル 米ドル

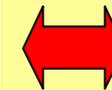
Now examining whether to add two more currency pairs, which would provide new foreign exchange investment opportunities.



- USD-JPN NZD-JPY SGD-JPY
- EUR-JPY CAD-JPY ZAR-JPY
- GBP-JPY CHE-JPY Euro-USD
- AUD-JPY HKD-JPY GBP-USD



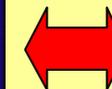
Mexico Peso



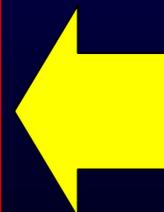
Japanese Yen



Australian Dollar



US Dollar

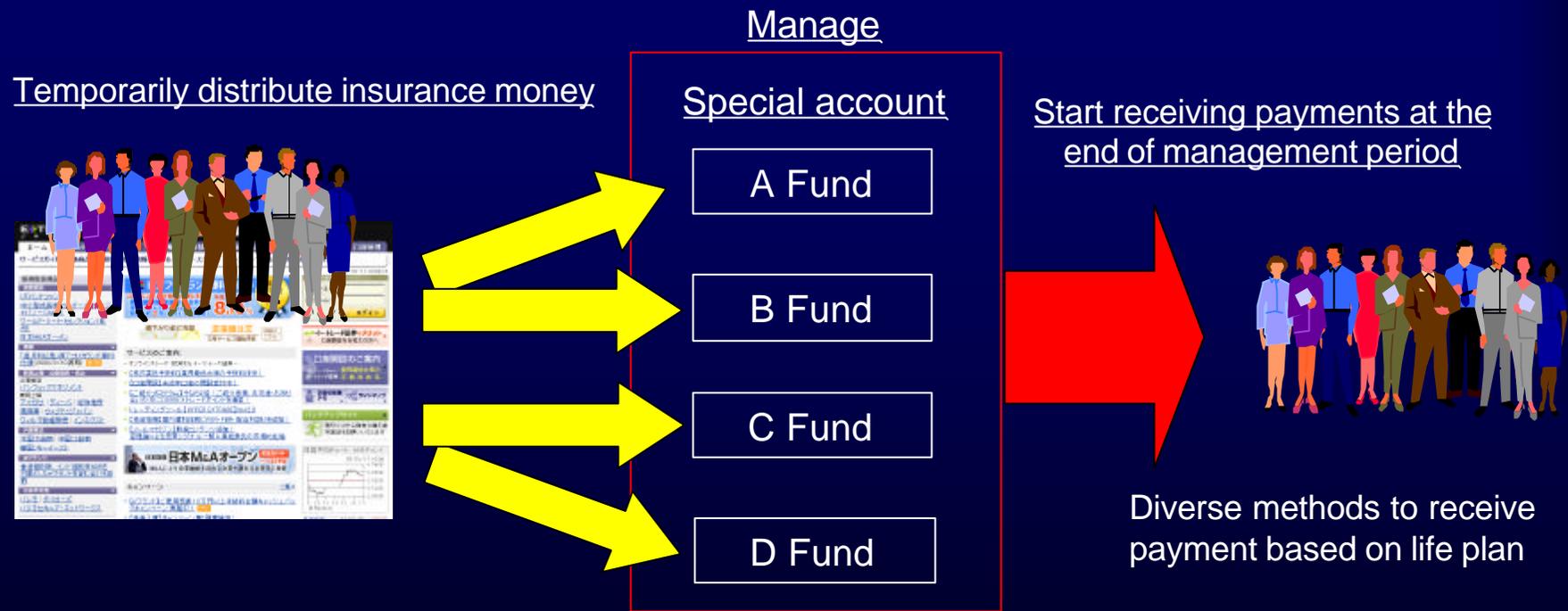


Additions are planned.

3) Other Future Developments

Plan to Offer Variable Annuity Service

The first online securities company to offer variable annuity service



Insurance company manages fund

Invest from a long-term perspective to build future capital and to support lifestyle finance in old age.

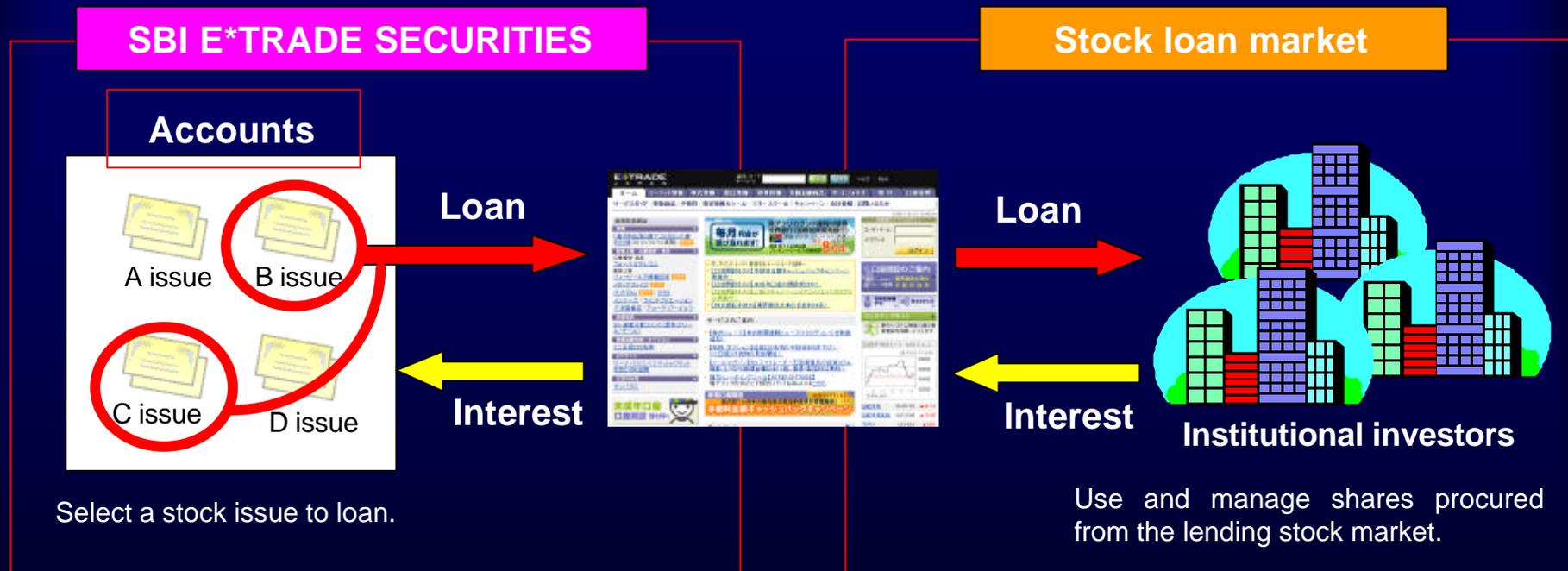
Expand the product lineup so that one account can support all asset management needs.

Provide a total Internet-based service from filing application to receiving payment.

3) Other Future Developments

Plan to Offer Lending Stock Services

Anticipate a further increase in number of accounts through offering services in high demand.



- It is also possible to obtain voting rights, a payout sum equivalent to the dividend, and complimentary gifts for shareholders.
- Through interest on stock loan, it is possible to increase the effective yield on investment by means other than dividend payment and a rise in the stock price.

The lending stock service enables individual investors to manage their asset holdings more effectively without waste and to earn income through interest payments.

SBI E*TRADE is aiming to launch the new service at the earliest possible date (currently undecided).

<http://www.etrade.ne.jp>