

Information Meeting for First Quarter Results of Operations

Fiscal Year Ending March 31, 2008

July 31, 2007

SBI E*TRADE SECURITIES
Code 8701

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1. Financial Highlights

Fiscal 2008 First Quarter Consolidated Financial Highlights

(million yen/%)

	FY07 First Quarter (April-June '06)	FY08 First Quarter (April-June '07)	Change
Operating revenues	15,691	15,440	-1.6
Net operating revenues	14,886	14,115	-5.2
Operating income	7,168	6,113	-14.7
Ordinary income	7,391	6,112	-17.3
Net income	4,182	3,221	-23.0

Fiscal 2007 and 2008 Consolidated Quarterly Financial Highlights

Revenues up and earnings down compared with fourth quarter of FY07

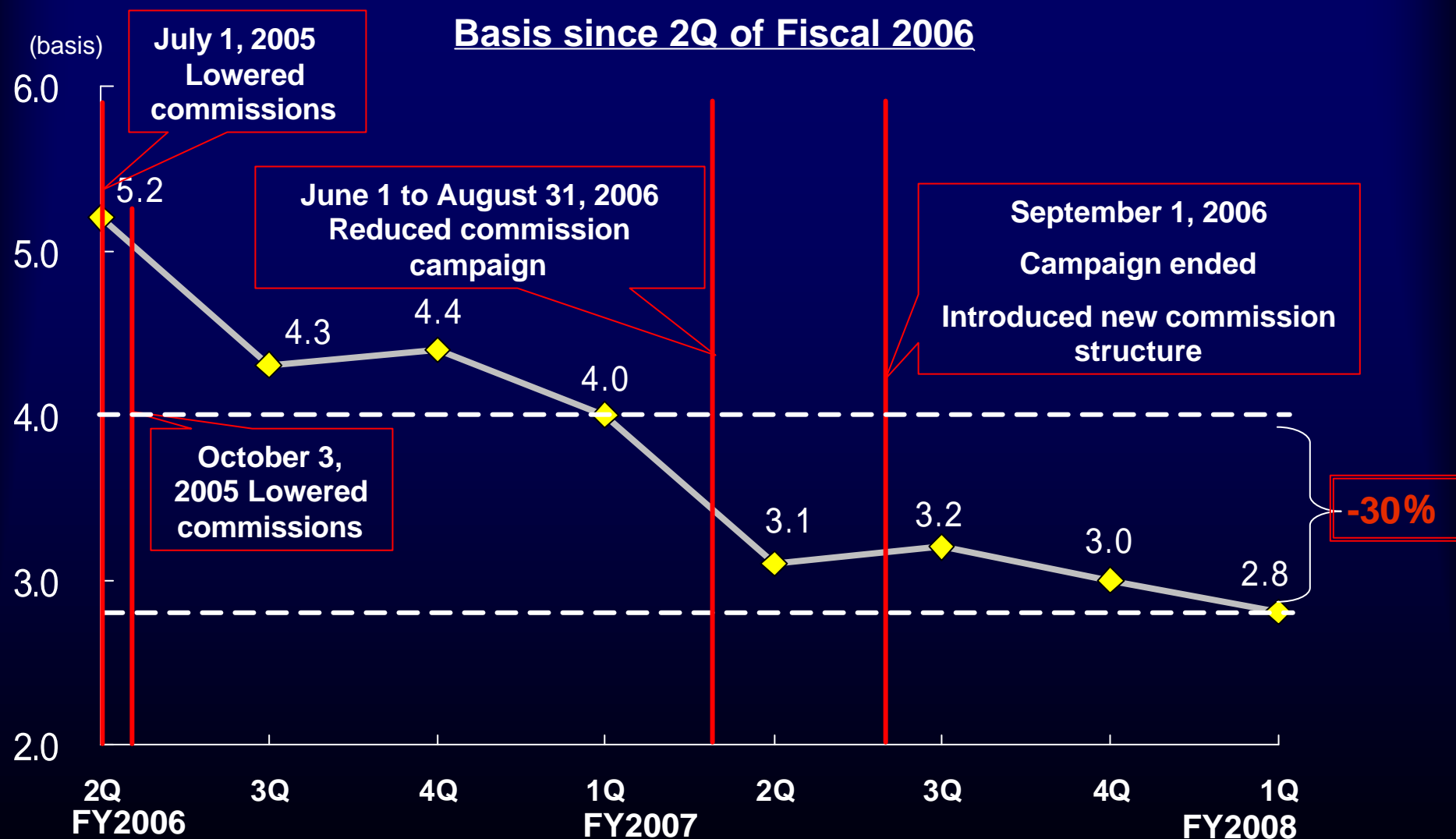
(million yen / %)

	Fiscal 2007				Fiscal 2008	
	First Quarter (Apr-June)	Second Quarter (July-Sep)	Third Quarter (Oct-Dec)	Fourth Quarter (Jan-March)	First Quarter (Apr-June)	1Q vs. 4Q
Operating revenues	15,691	12,882	13,737	15,100	15,440	+2.2
Net operating revenues	14,886	11,905	12,642	13,861	14,115	+1.8
Operating income	7,168	5,043	5,803	6,527	6,113	-6.3
Ordinary income	7,391	5,077	5,744	6,358	6,112	-3.9
Net income	4,182	2,789	3,191	3,646	3,221	-11.7

(1) Reasons for Lower Revenues and Earnings

(1) Reasons for Lower Revenues and Earnings

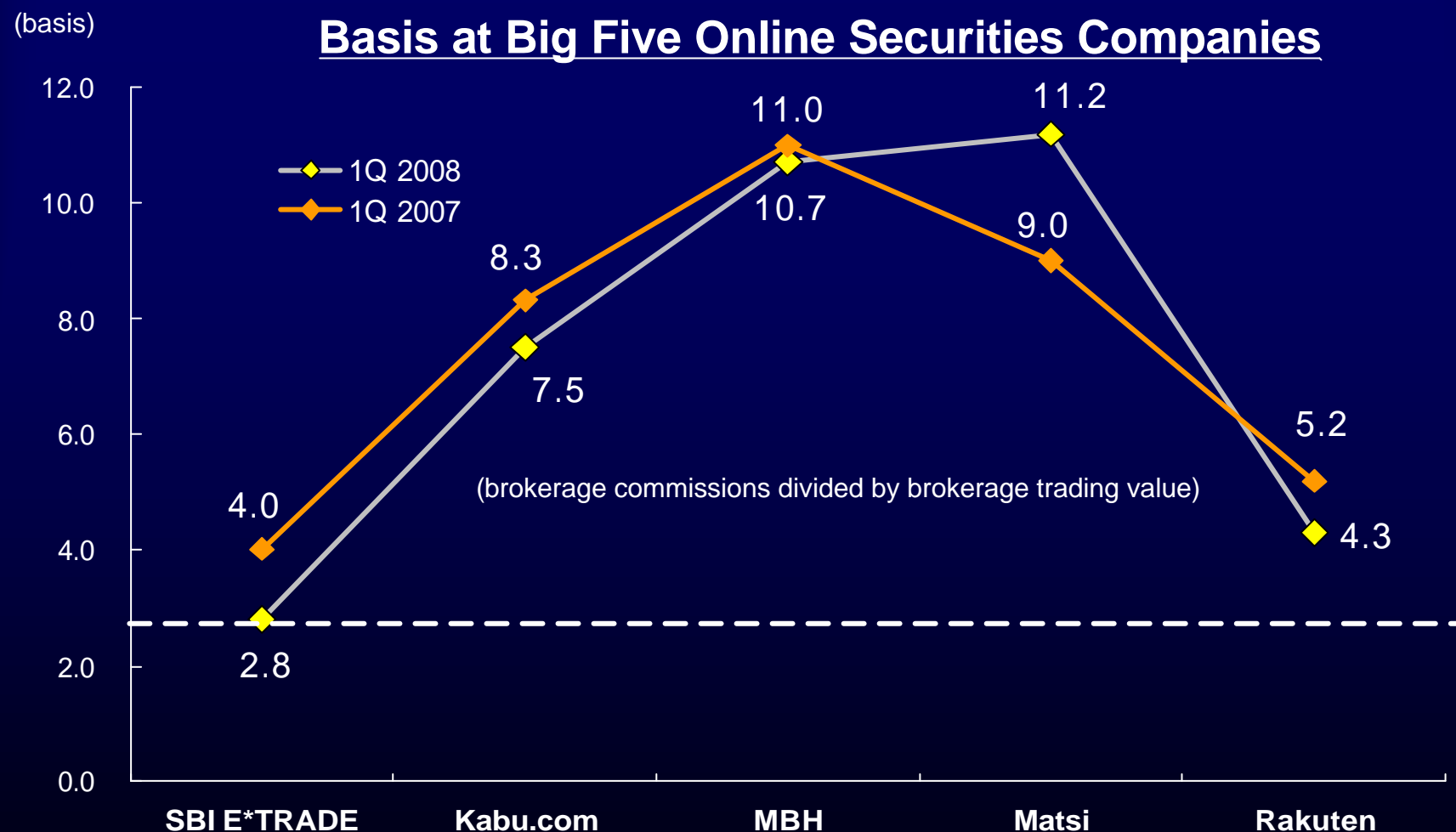
SBI E*TRADE SECURITIES Basis



Quarterly index calculated by dividing non-consolidated brokerage commissions by brokerage trading value, using brokerage commissions as shown in the kessan tanshin.

(1) Reasons for Lower Revenues and Earnings

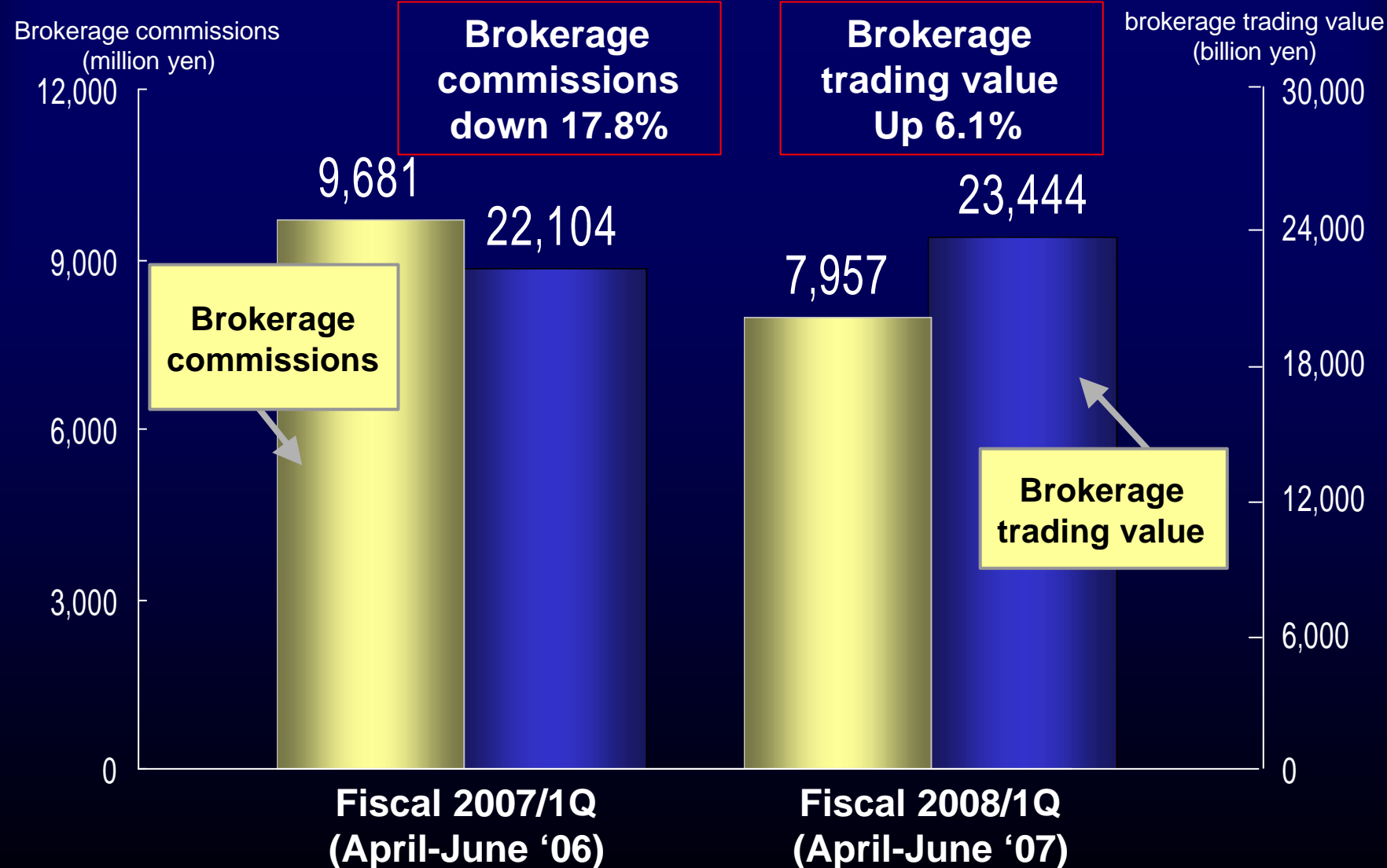
Basis Comparison with Major Online Securities Companies



Source: Compiled by SBI E*TRADE SECURITIES based on earnings releases and monthly disclosure materials
 First quarter figures and brokerage commissions are non-consolidated data from earnings releases.

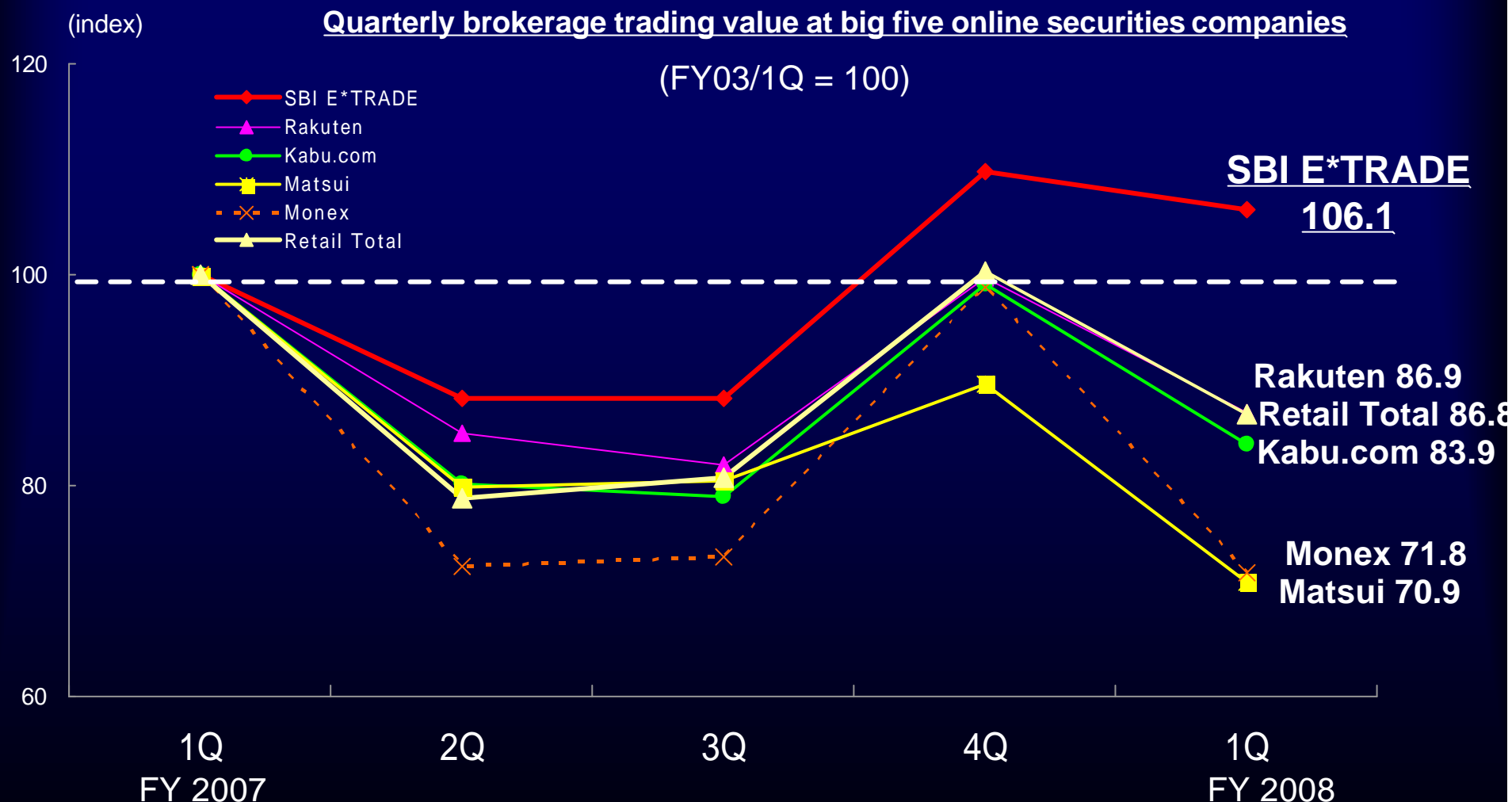
(1) Reasons for Lower Revenues and Earnings

Consolidated Brokerage Commissions



(1) Reasons for Lower Revenues and Earnings

Brokerage Trading Value at Major Online Securities Companies



Source: Compiled by SBI E*TRADE SECURITIES based on TSE and JASDAQ materials, company Web sites and other available information.

*Individual brokerage trading values are the sum for the three major exchanges and JASDAQ.

(2) Highlights of Fiscal 2008 First Quarter Consolidated Performance

Revenues and earnings down YoY but revenues higher than in FY07/4Q

(1) Brokerage commissions Down 17.8% to ¥7,957 million and 3% less than in FY07/4Q

- 1,450,764 customer accounts at end of June 2007; 44,867 new accounts during FY08/1Q (avg. of 14,955 accounts per month)
- Share of retail stock brokerage transactions rose to an all-time high of 33.4% (for FY07/1Q)

(2) Financial revenues Up 31.8% to ¥5,386 million

- Net financial revenues increased 24.2% to ¥4,077 million due mainly to growth in the use of internal resources to meet funding needs
- 153,228 margin accounts at end of June 2007; 5,569 new accounts during FY08/1Q (avg. of 1,856 accounts per month)

(3) Underwriting, offering and selling commissions Up 48.2% to ¥540 million

- Stock underwriting, offering and selling commissions (non-consolidated) increased 88.5% to ¥156 million
- Continued to rank among Japan's leading securities companies in terms of the number of offerings underwritten

(4) Trading gains and others Down 0.2% to ¥1,555 million

- Bond trading volume set a new quarterly record; foreign exchange margin trading volume was also high

(5) Growth in investment trust activities

- Investment trust revenues increased 43.3% due to growth in the number of trusts offered, including no-load funds

(6) Selling, general and administrative expenses

- Variable expenses were lower despite an increase in the number of executed trades

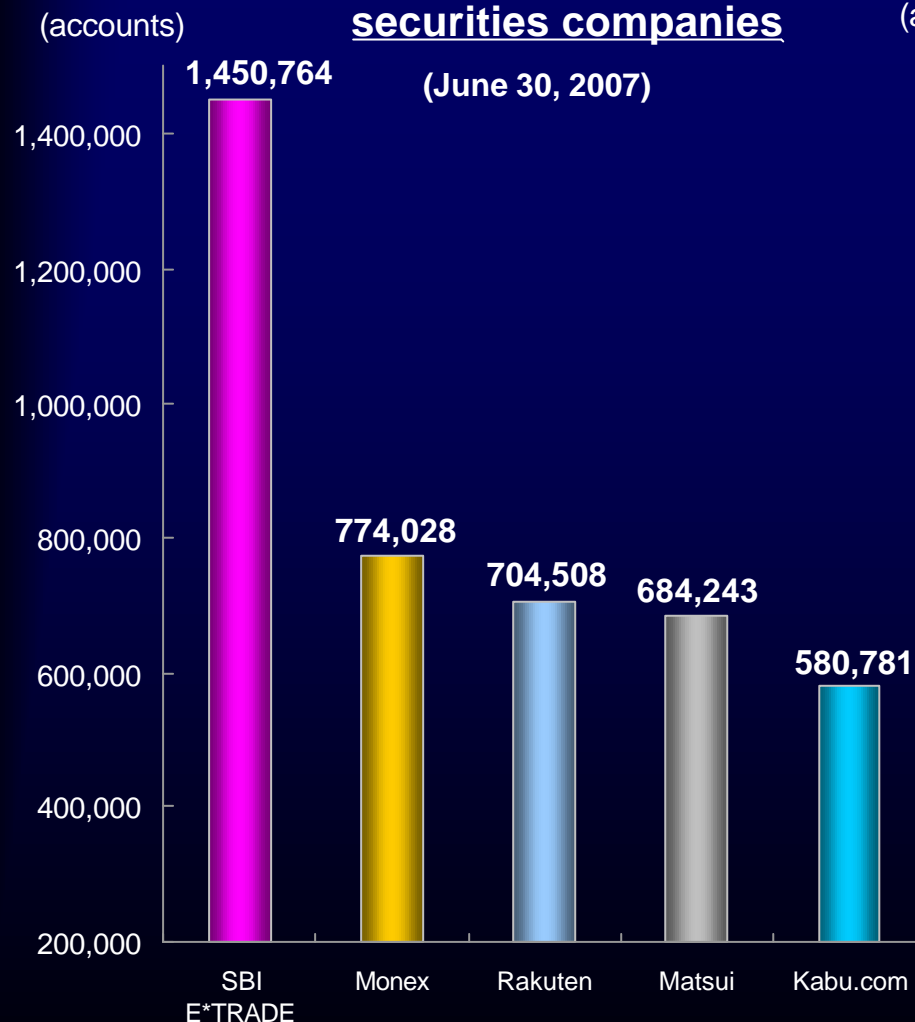
(7) E*TRADE Korea Co., Ltd.

- Achieved big increases in revenues and earnings because of high trading volume in Korean stock markets

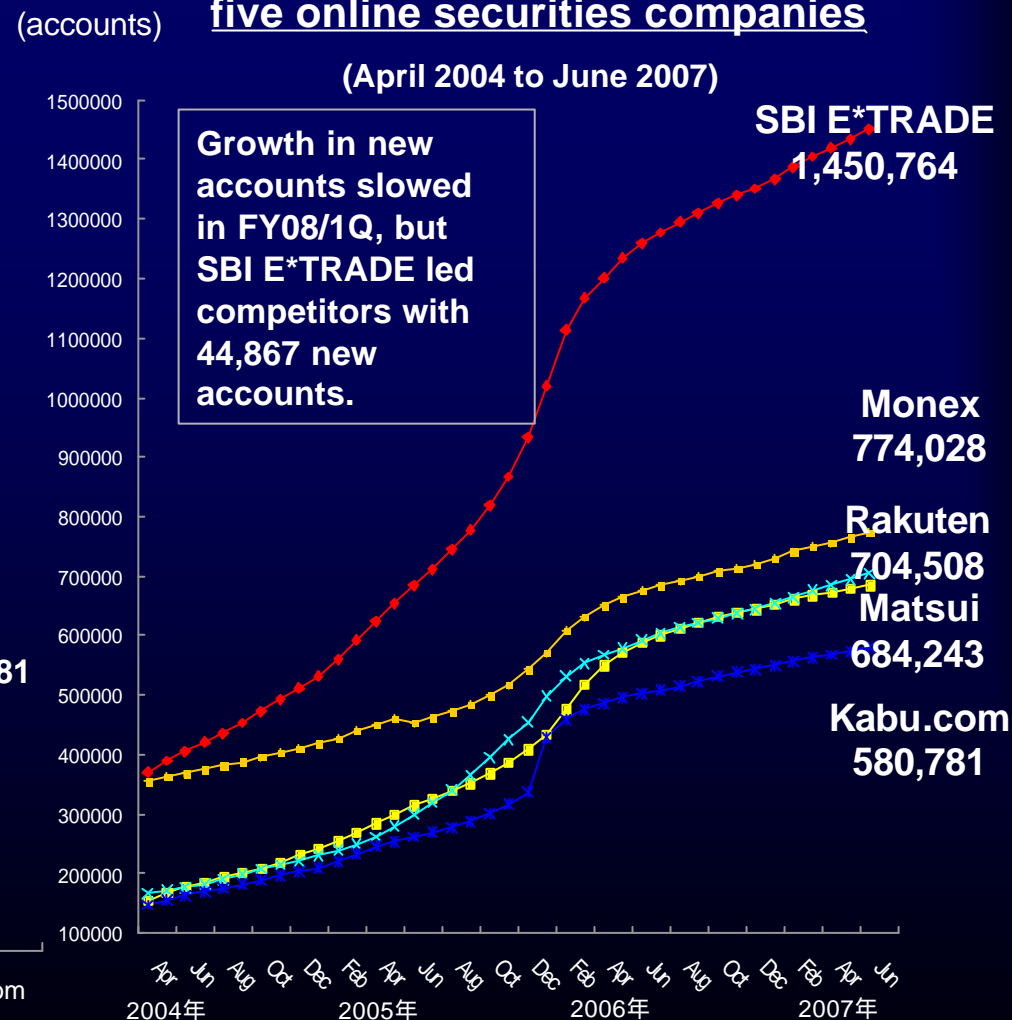
(1) Brokerage commissions

Customer Accounts at Major Online Securities Companies

Customer accounts at big five online securities companies



Growth in customer accounts at big five online securities companies

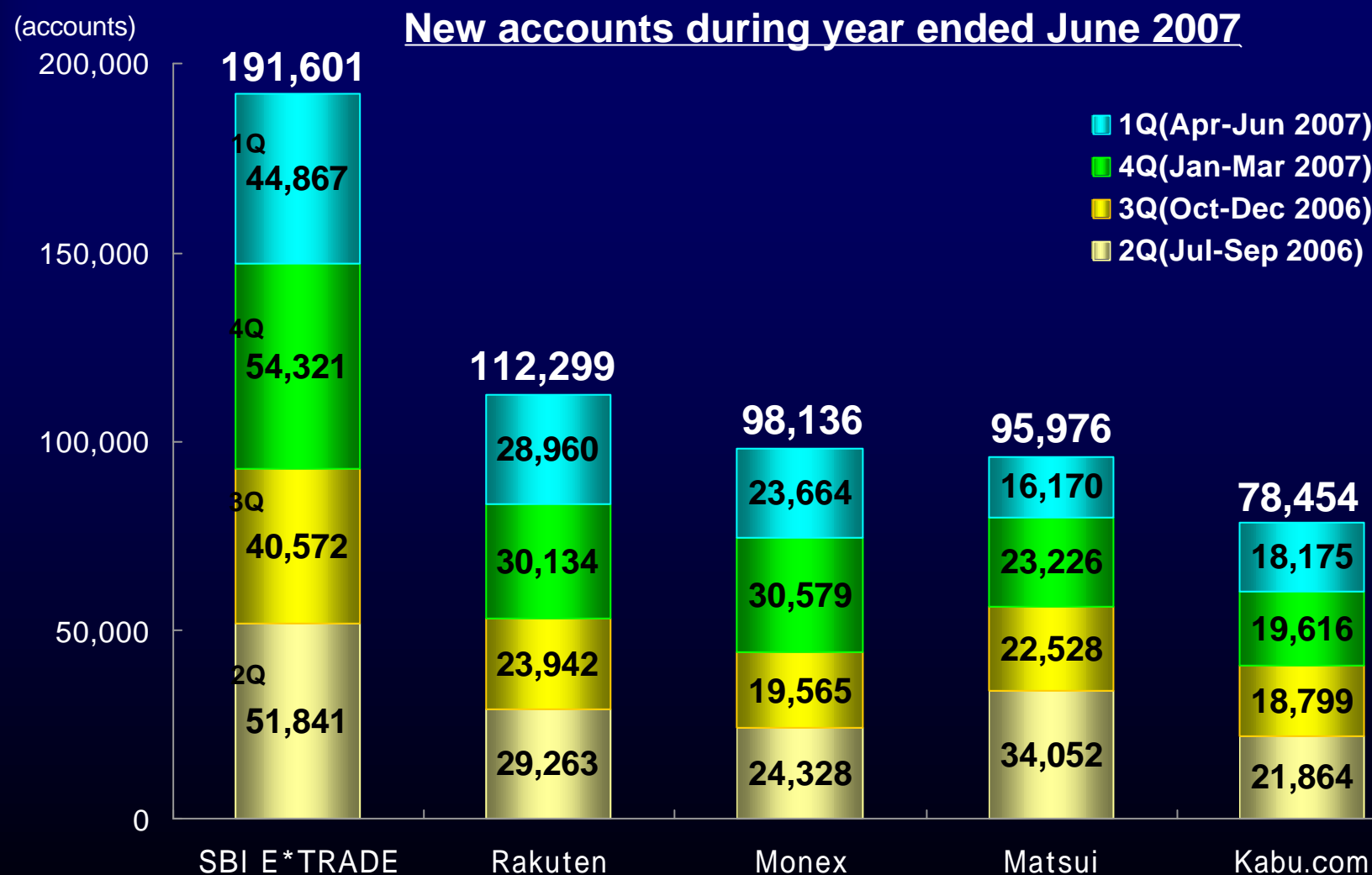


Source: Compiled by SBI E*TRADE SECURITIES based on Web sites and other available information for each company

*Monex is the sum of Nikko Beans and Monex. Kabu.com merged with MeNet in January 2006.

(1) Brokerage commissions

New Accounts at Major Online Securities Companies



Source: Compiled by SBI E*TRADE SECURITIES based on Web sites and other available information for each company

(1) Brokerage commissions

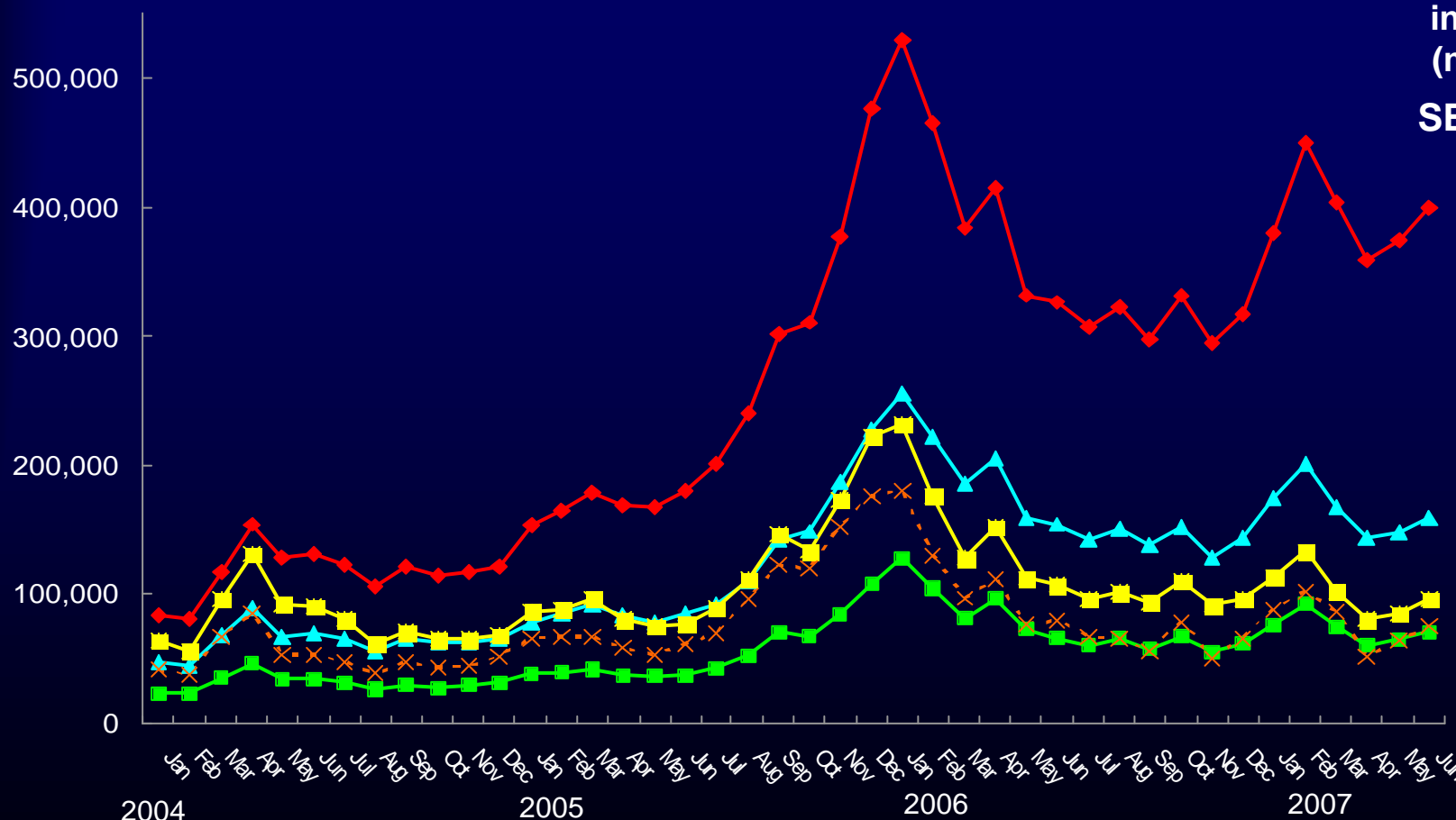
Brokerage Trading Value at Major Online Securities Companies

Average daily brokerage trading value at big five online securities companies

(million yen)

(January 2004 to June 2007)

 Daily transactions
 in June 2007
 (million yen)

SBI E*TRADE
399,350
Rakuten
158,271
Matsui
96,157
Monex
75,354
Kabu.com
70,368


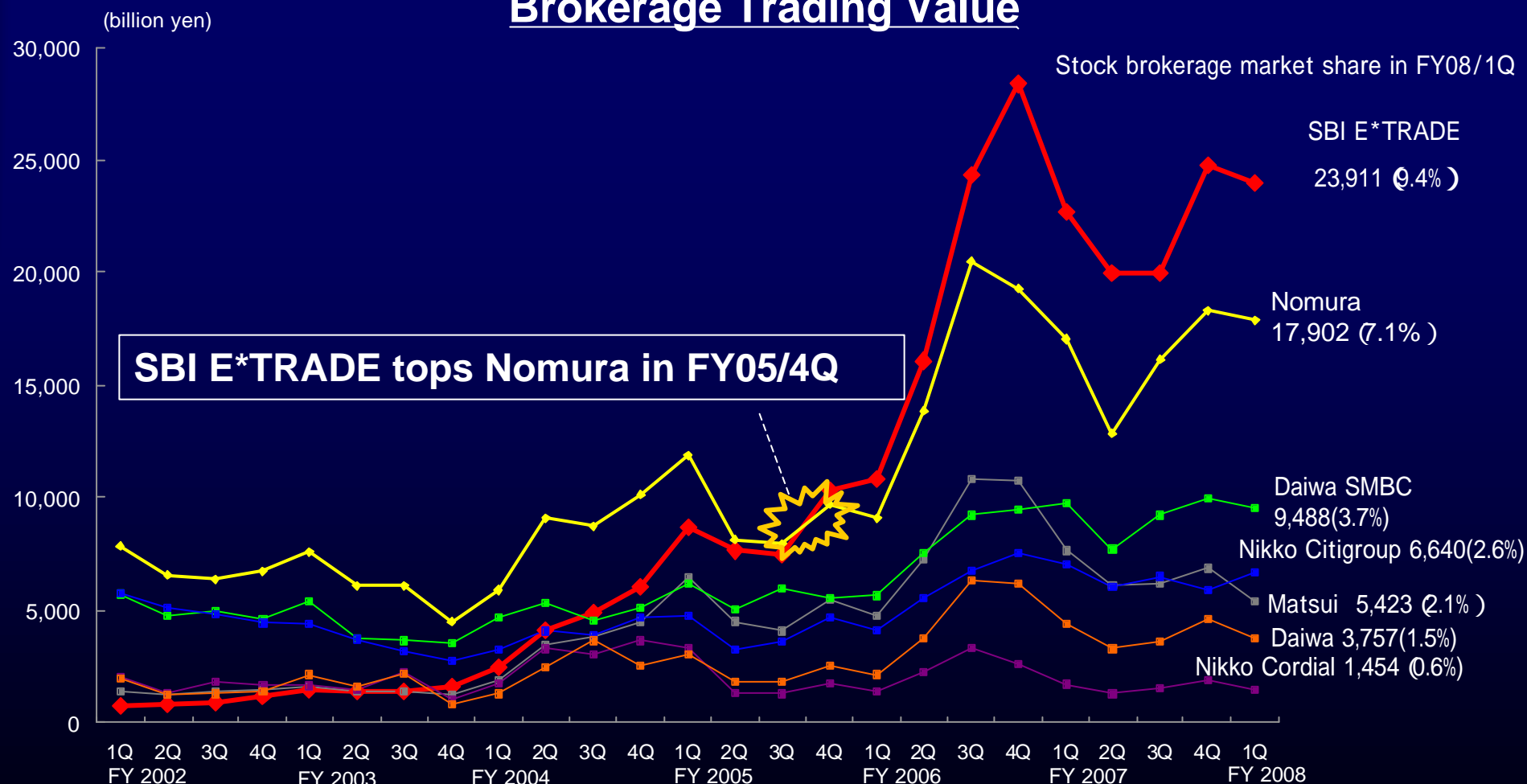
Source: Compiled by SBI E*TRADE SECURITIES based on Web sites and other available information for each company

*Monex is the sum of Nikko Beans and Monex. Kabu.com merged with MeNet in January 2006.

(1) Brokerage commissions

Comparison with Brokerage Trading Value of Japan's Big Three Securities Companies

Brokerage Trading Value



Source: Compiled by SBI E*TRADE SECURITIES based on company Web sites and Tokyo Stock Exchange materials (SBI E*TRADE includes orders from overseas investors)

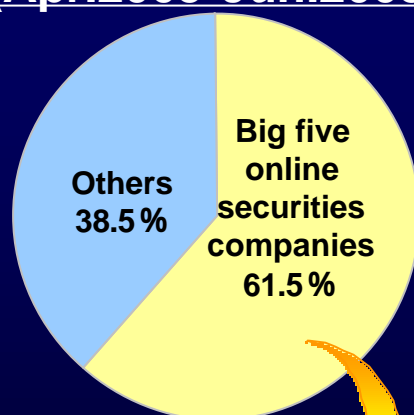
(Unit: Billion yen, percentages are calculated by dividing transactions by all brokerage trading value on the three major exchanges)

(1) Brokerage commissions

Major Online Securities Company Share of Individual Brokerage Trading Value

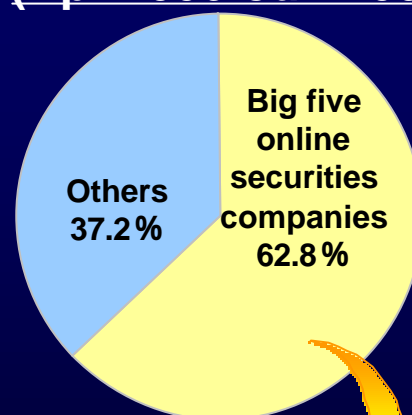
Share of individual brokerage trading value

1Q FY2006
(Apr.2005-Jun.2005)



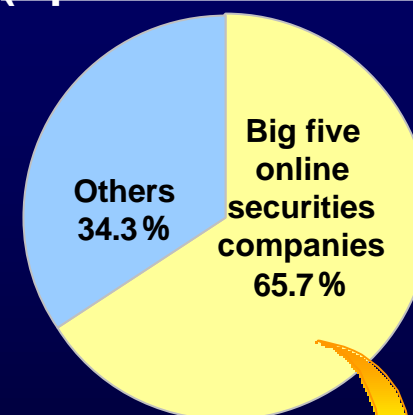
SBI E*TRADE	24.8 %
Rakuten	11.8
Matsui	11.2
Monex	8.3
Kabu.com	5.4

1Q FY2007
(Apr.2006-Jun.2006)



SBI E*TRADE	27.3 %
Rakuten	13.2
Matsui	9.5
Monex	6.8
Kabu.com	6.0

1Q FY2008
(Apr.2007-Jun.2007)



SBI E*TRADE	33.4 %
Rakuten	13.2
Matsui	7.7
Kabu.com	5.8
Monex	5.6

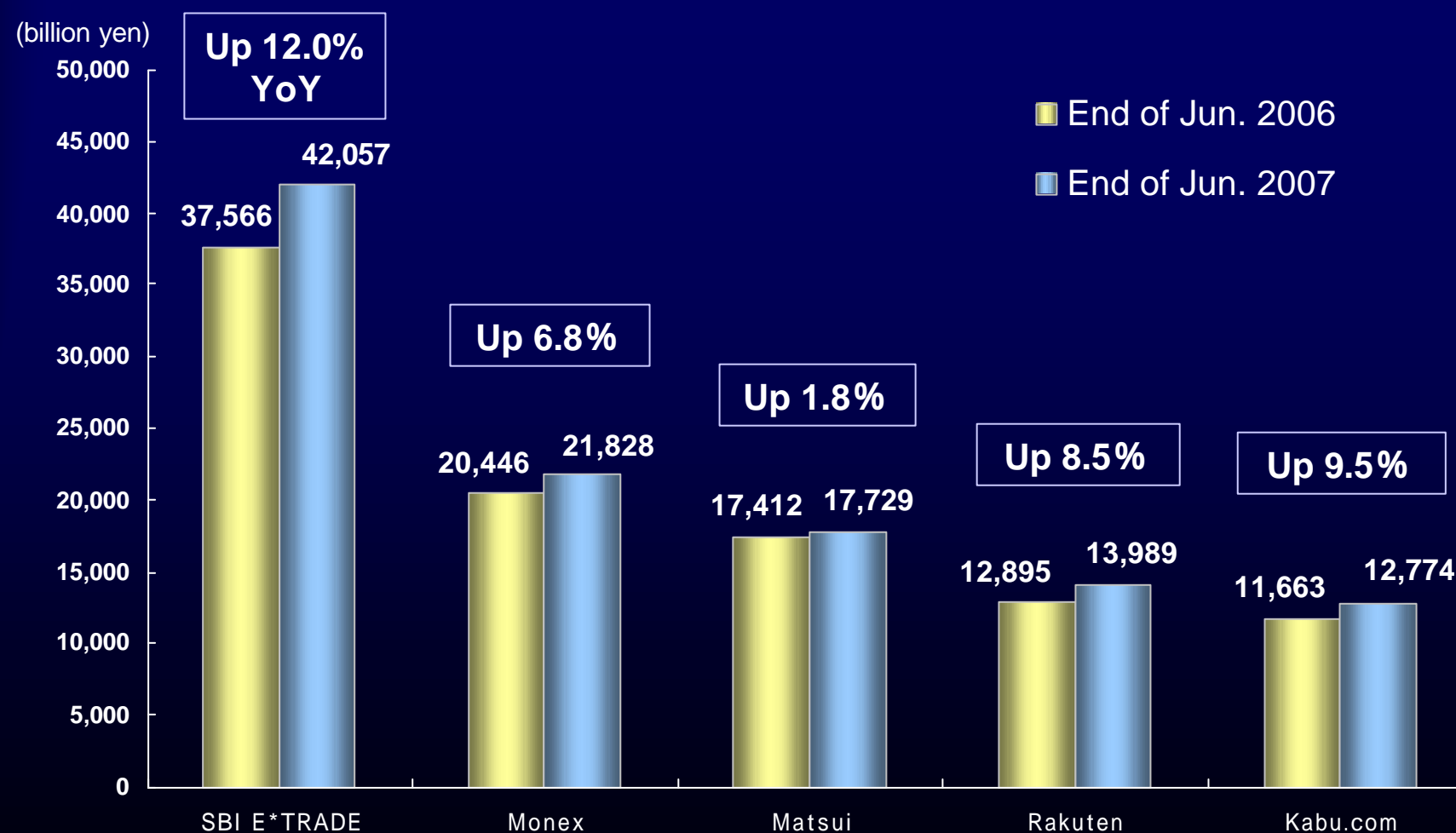
Source: Compiled by SBI E*TRADE SECURITIES based on Tokyo Stock Exchange and JASDAQ materials and Web sites and other available information for each company

*Individual brokerage trading value are sum for the three major exchanges and JASDAQ.

Monex is the sum of Nikko Beans and Monex. Kabu.com merged with MeNet in January 2006.

(1) Brokerage commissions

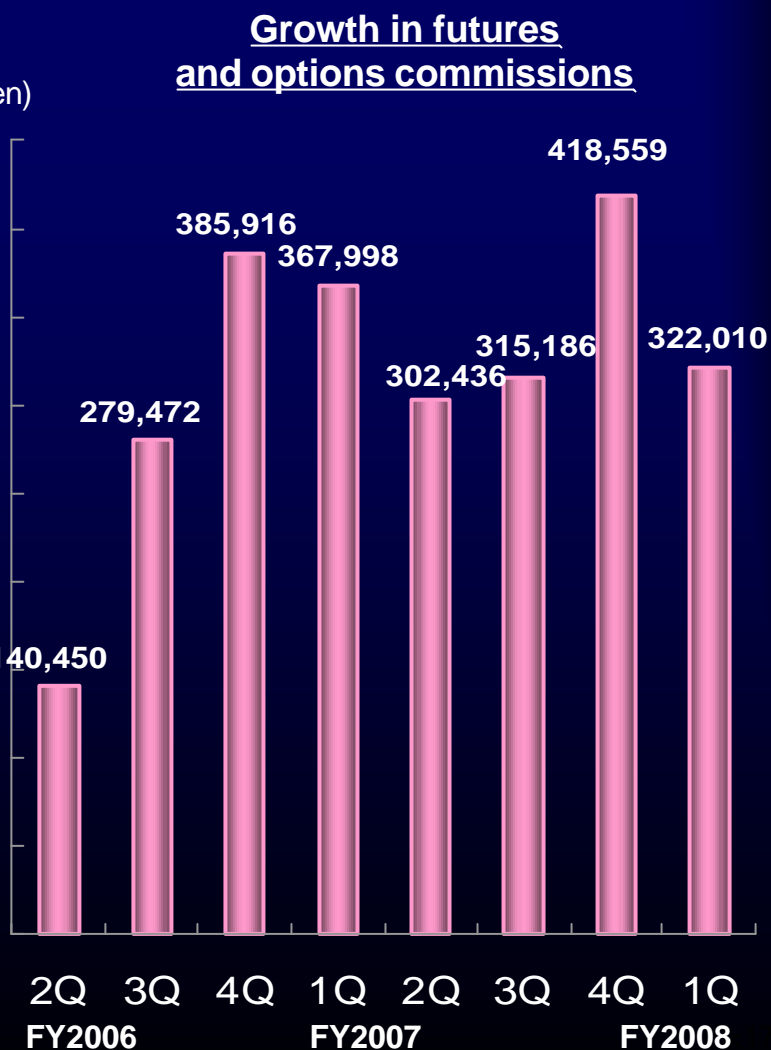
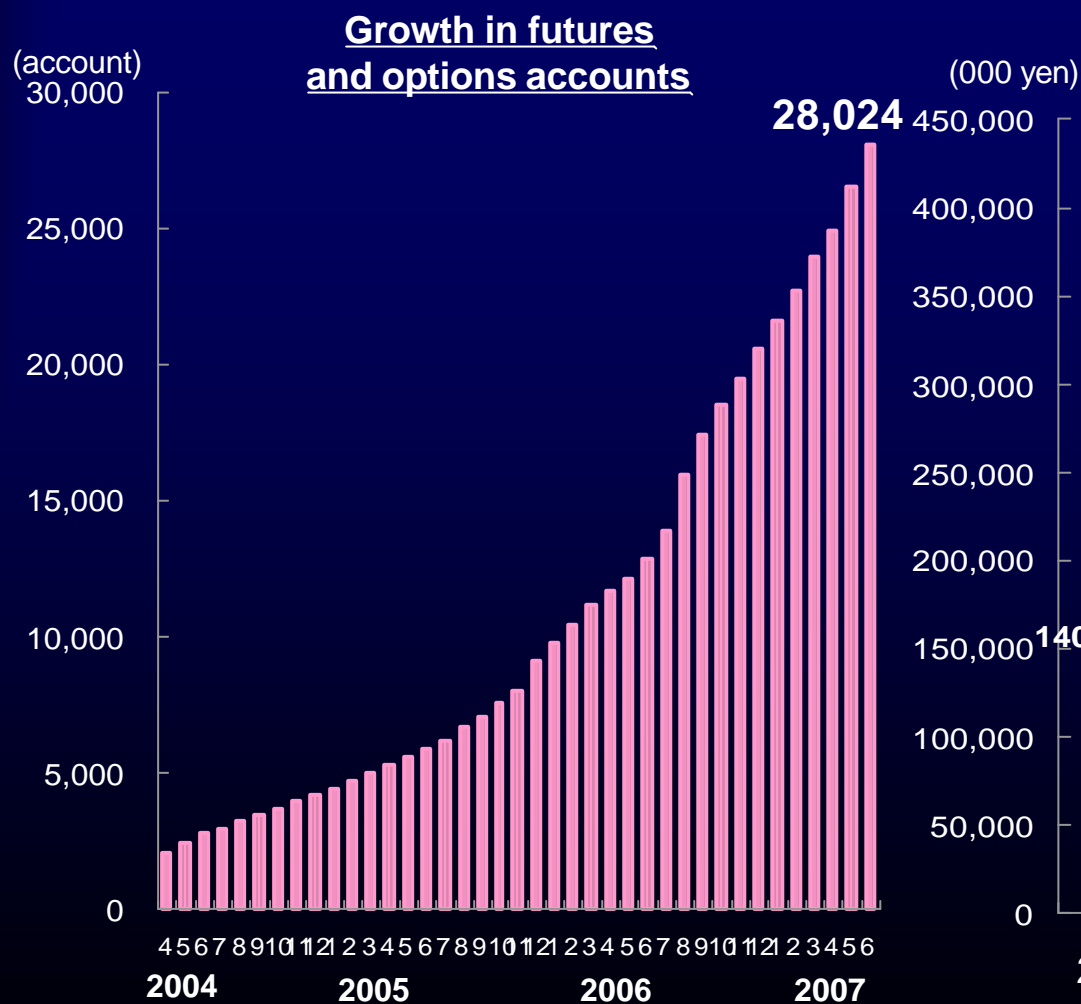
(Reference) Assets in Customer Accounts



(1) Brokerage commissions

Growth in Futures and Options Transactions

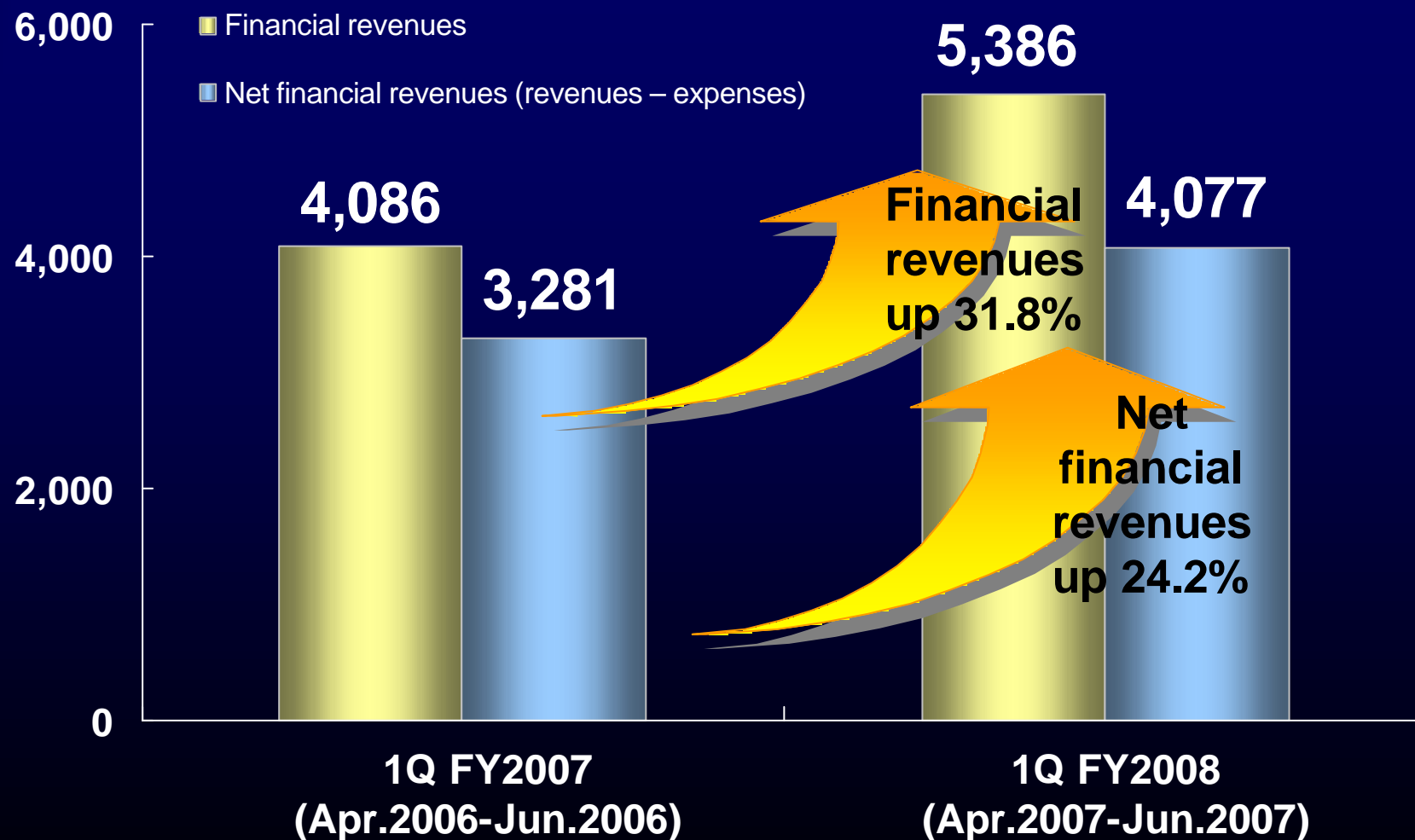
Reduction of commissions in May 2007 expects to increase earnings by raising volume of transactions



FY08/1Q Highlights

(2) Consolidated Financial Revenues

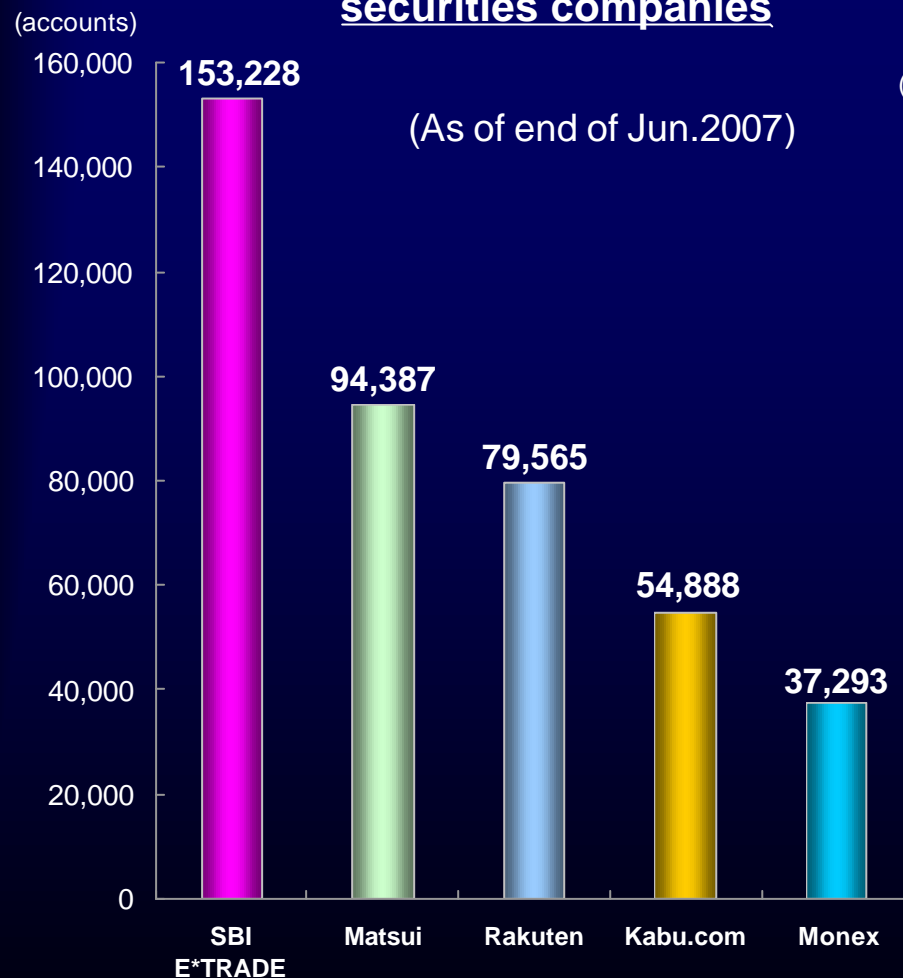
(million yen)



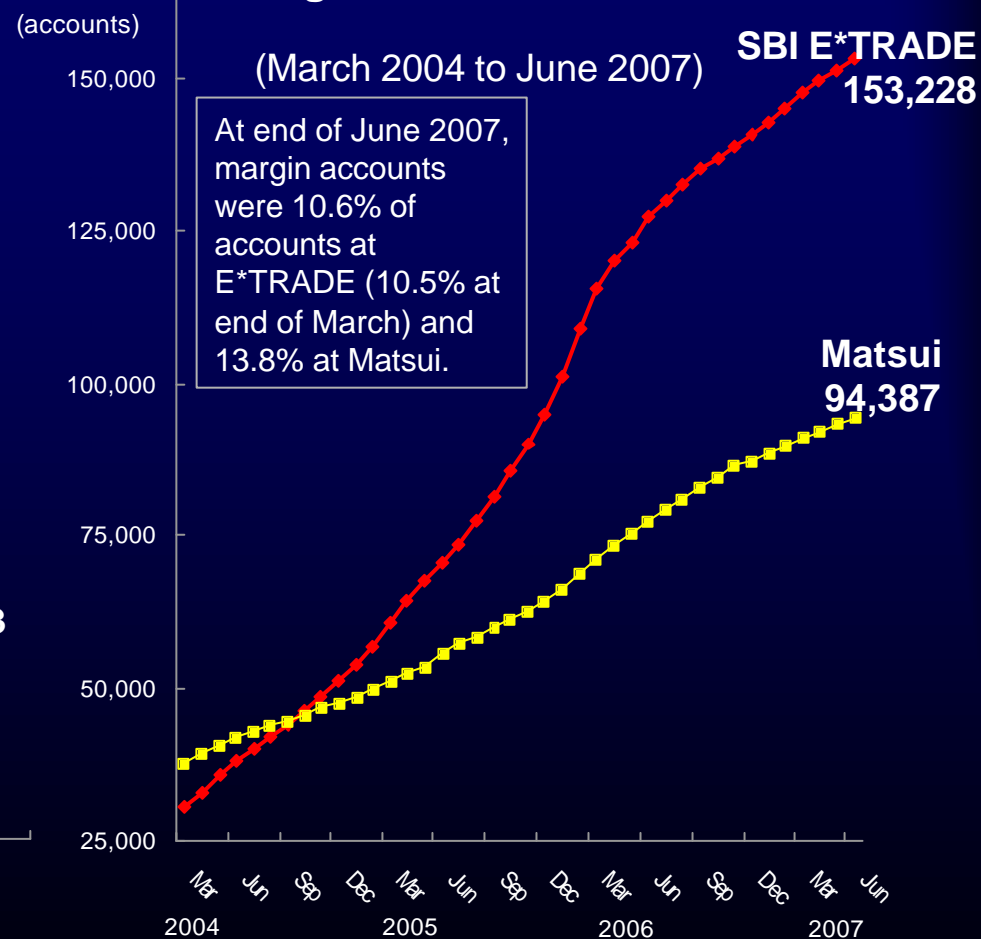
(2) Financial Revenues

Margin Accounts at Major Online Securities Companies

Margin accounts at big five online securities companies

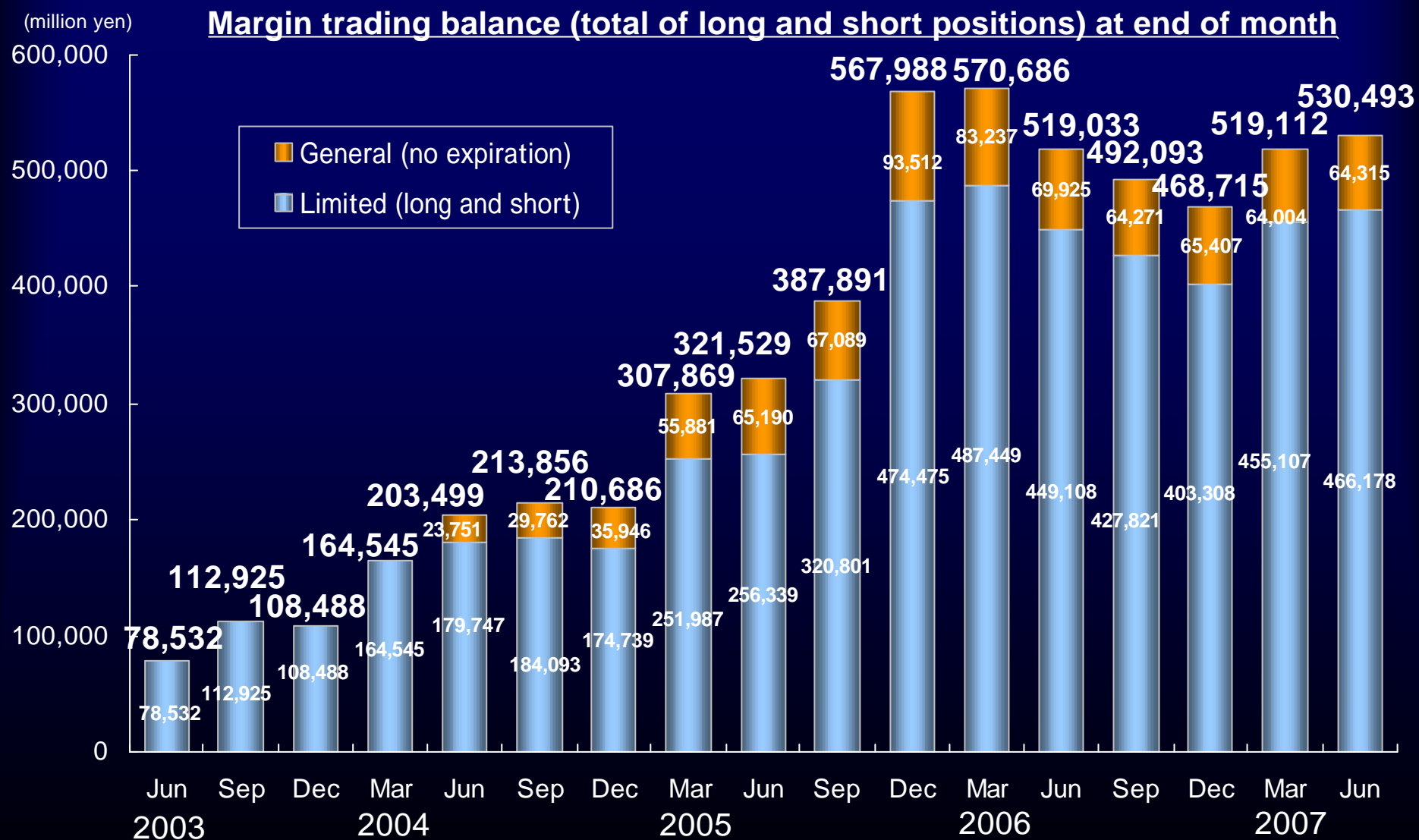


Comparison with margin account growth at Matsui Securities



(2) Financial Revenues

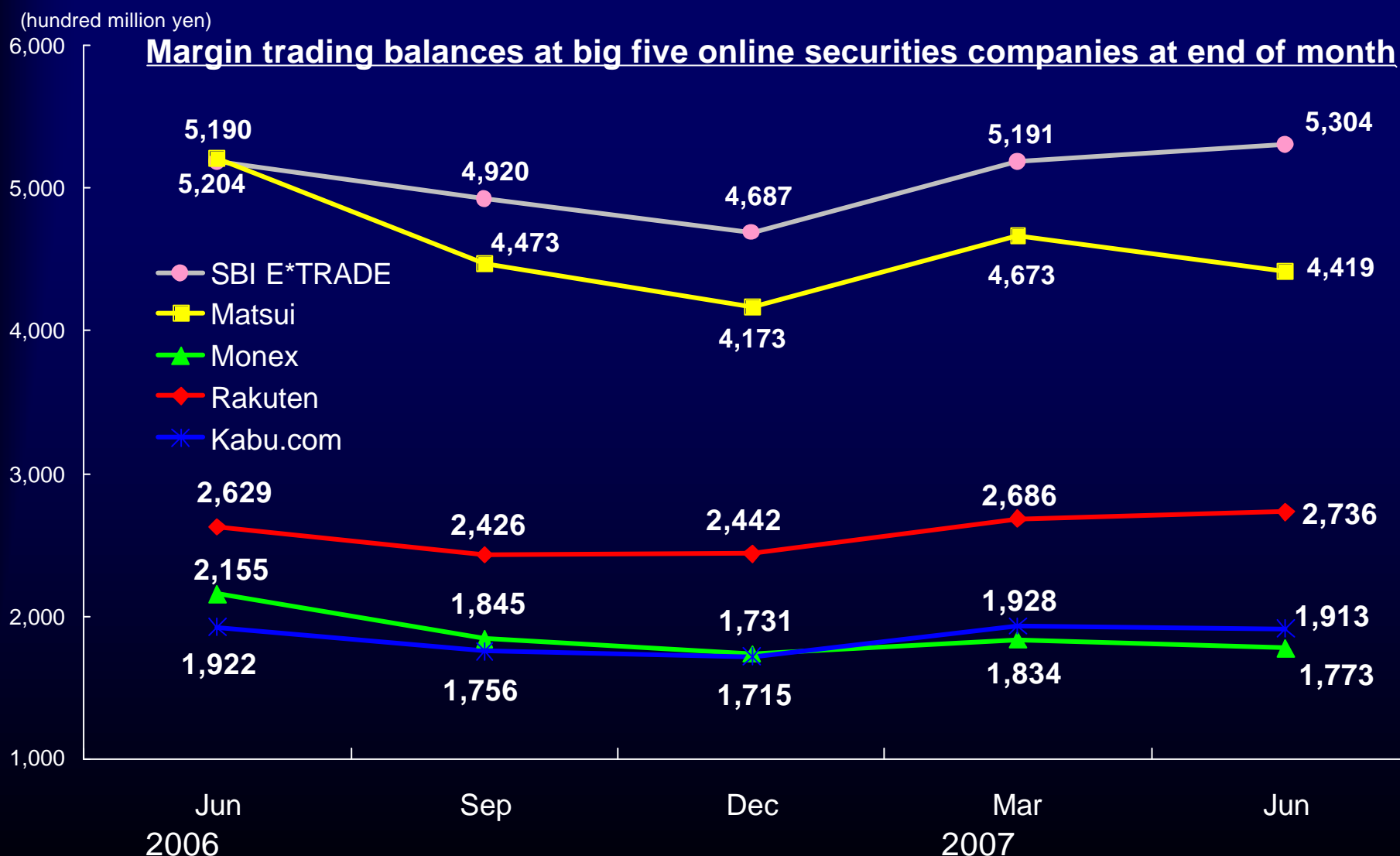
Margin Trading Balance



Note: Data based on trade closing dates; non-consolidated figures for SBI E*TRADE SECURITIES

(2) Financial Revenues

Margin Trading Balances at Major Online Securities Companies



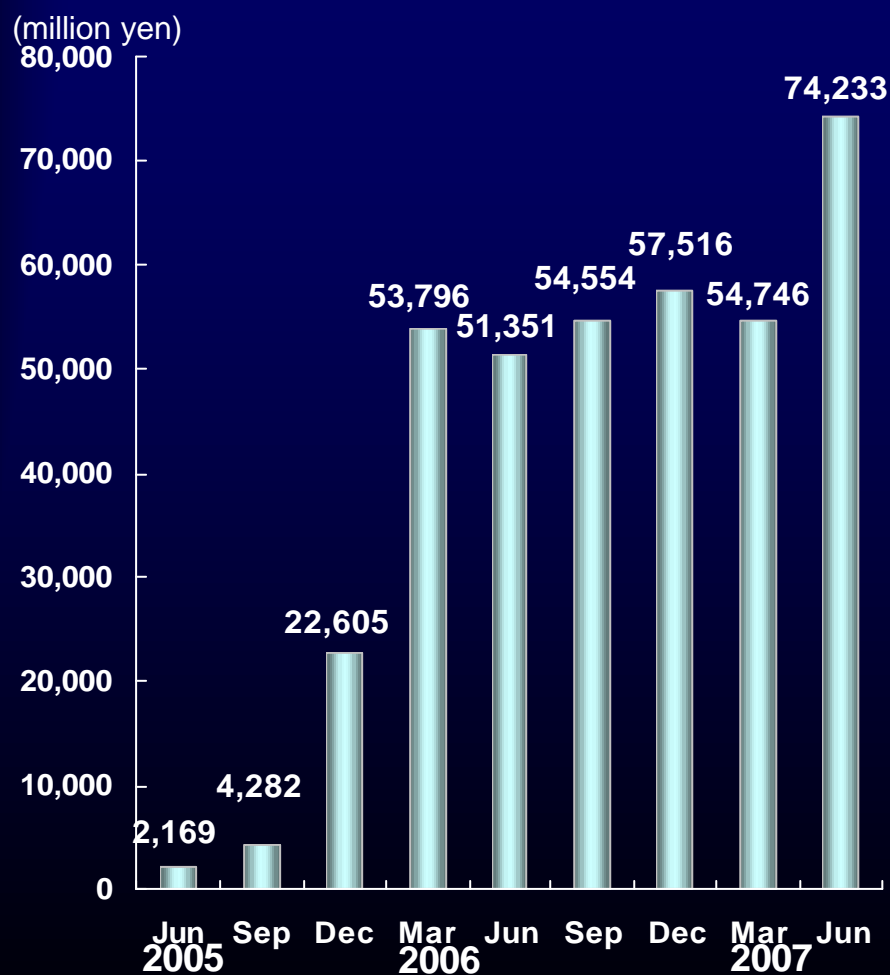
Source: Compiled by SBI E*TRADE SECURITIES based on Web sites and other available information for each company; uses figures announced by each company

(2) Financial Revenues

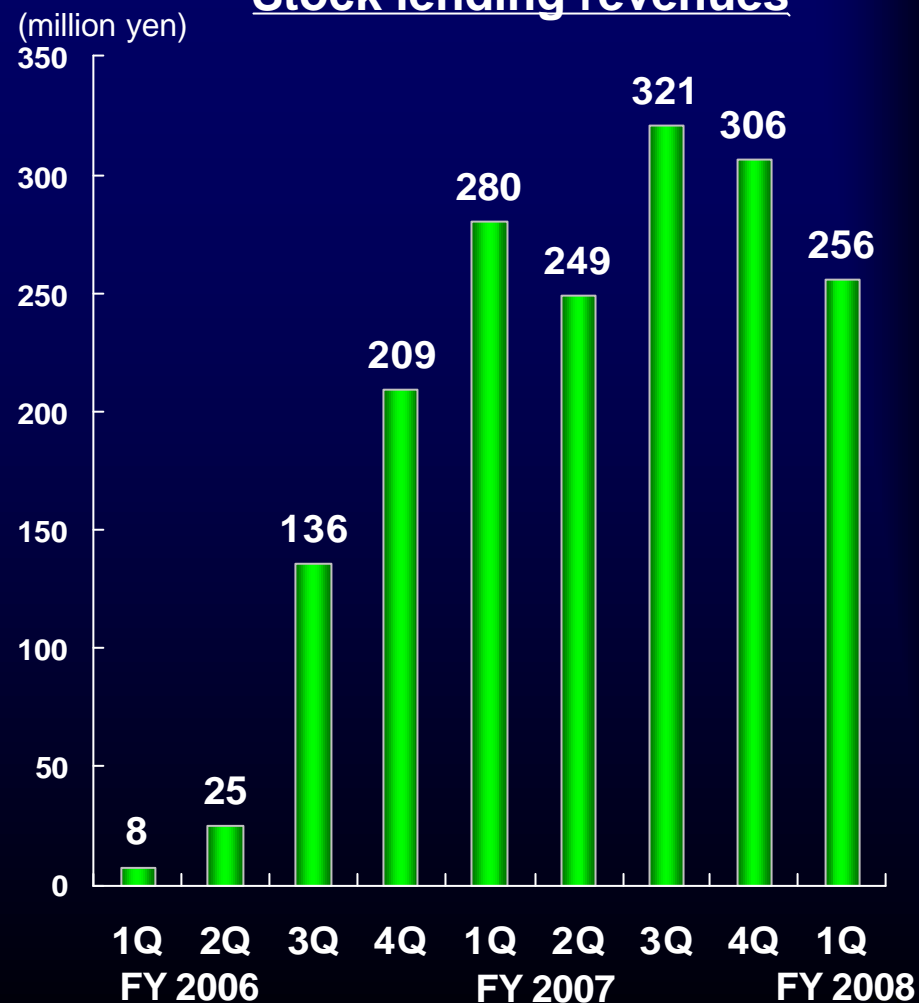
Growth in Revenues from Stock Lending Operations

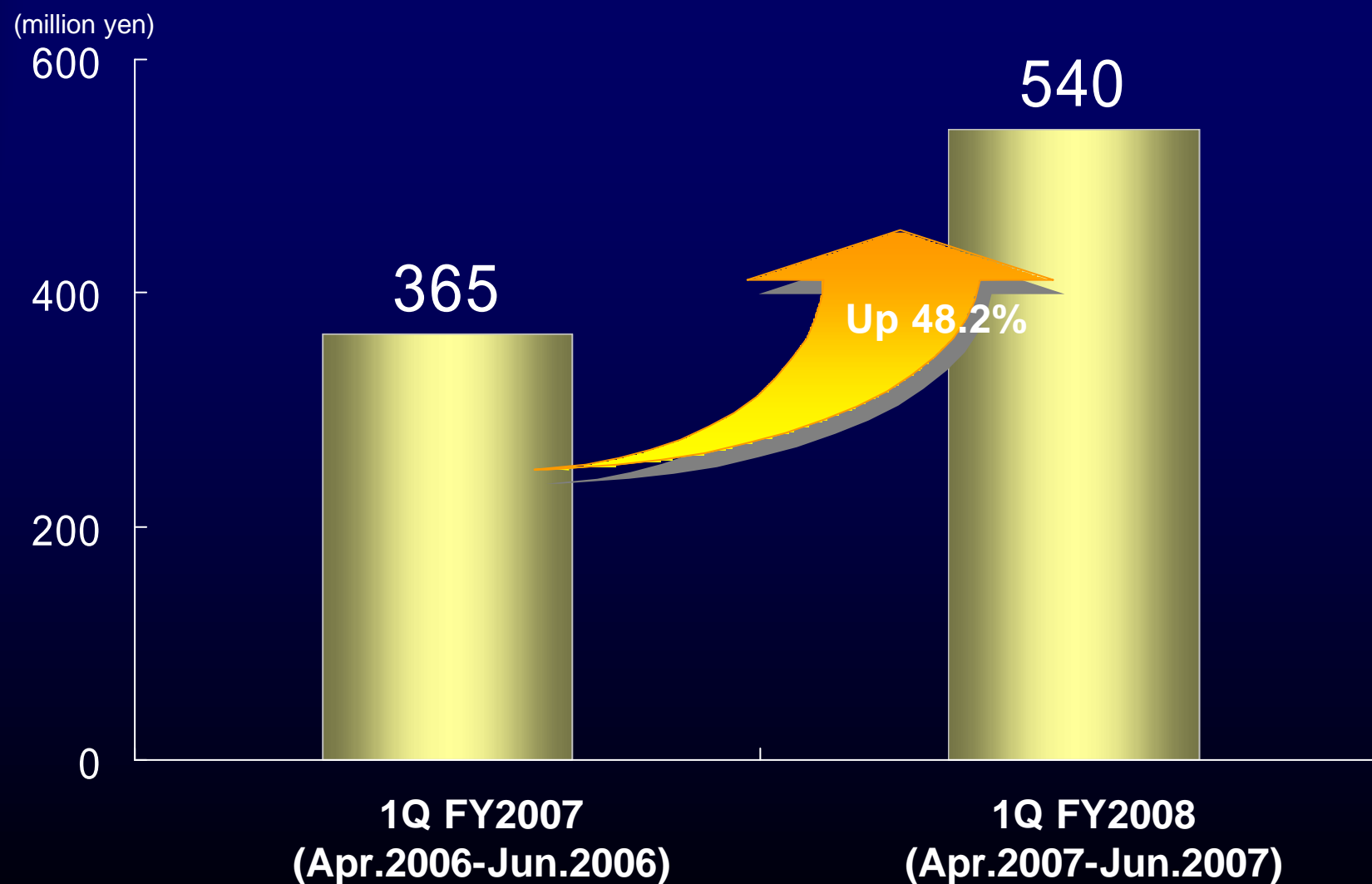
Plan to expand stock lending operations by upgrading cash management to increase self-financing

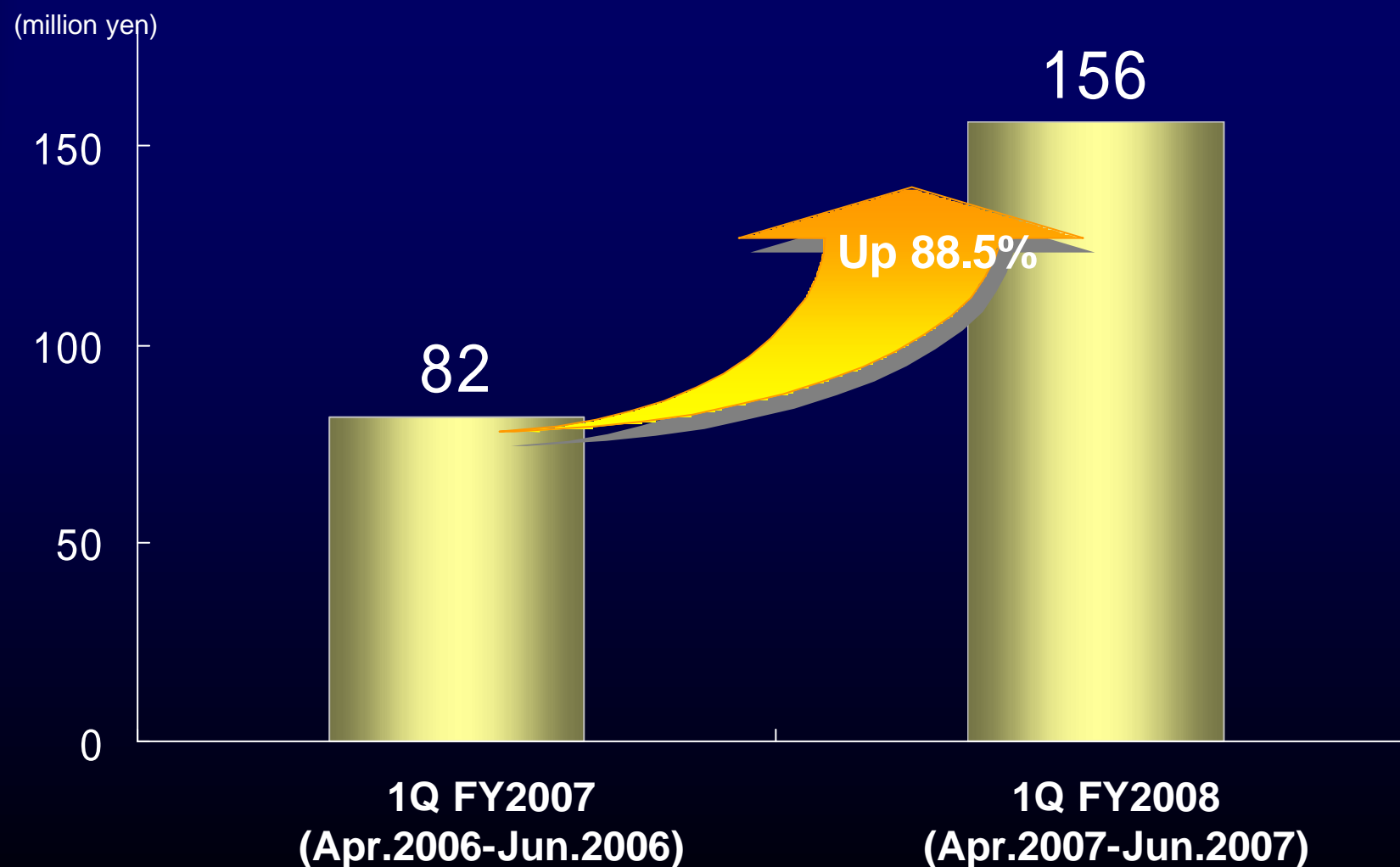
Shares loaned at end of month



Stock lending revenues



FY08/1Q Highlights**(3) Consolidated Underwriting, Offering and Selling Commissions**

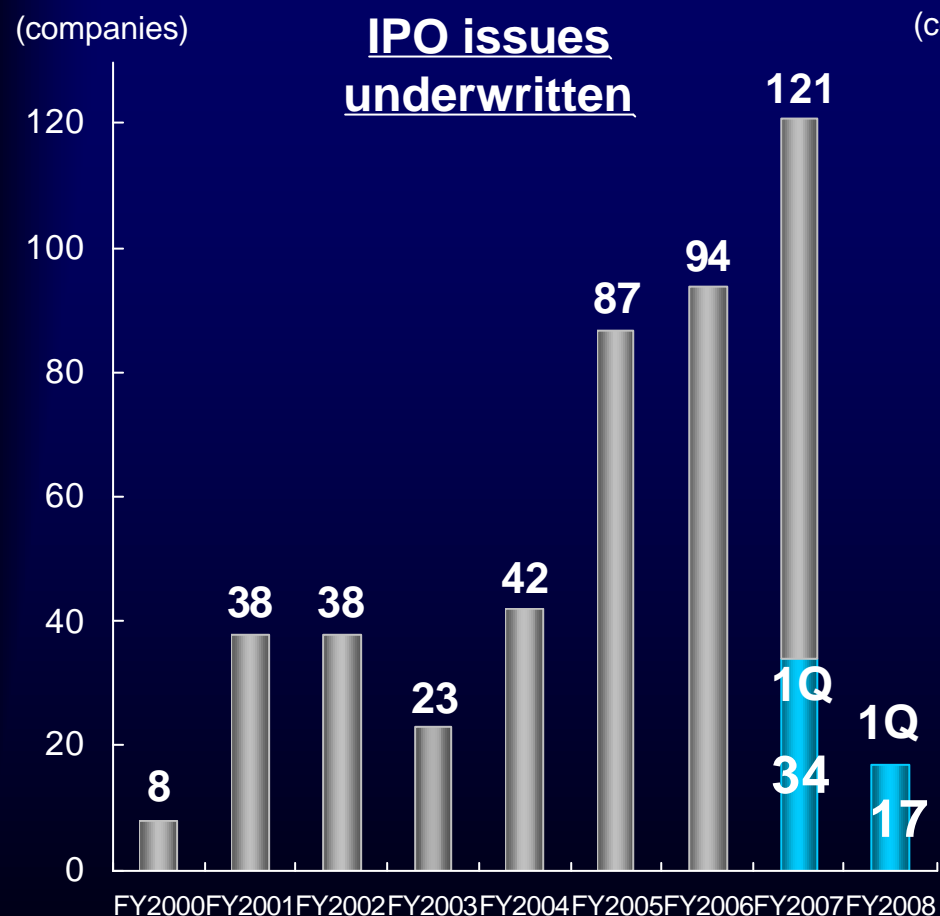
(3) Consolidated Underwriting, Offering and Selling Commissions**Non-consolidated IPO and PO Underwriting Commissions**

* Shows only stock underwriting, offering and selling commissions

(3) Consolidated Underwriting, Offering and Selling Commissions

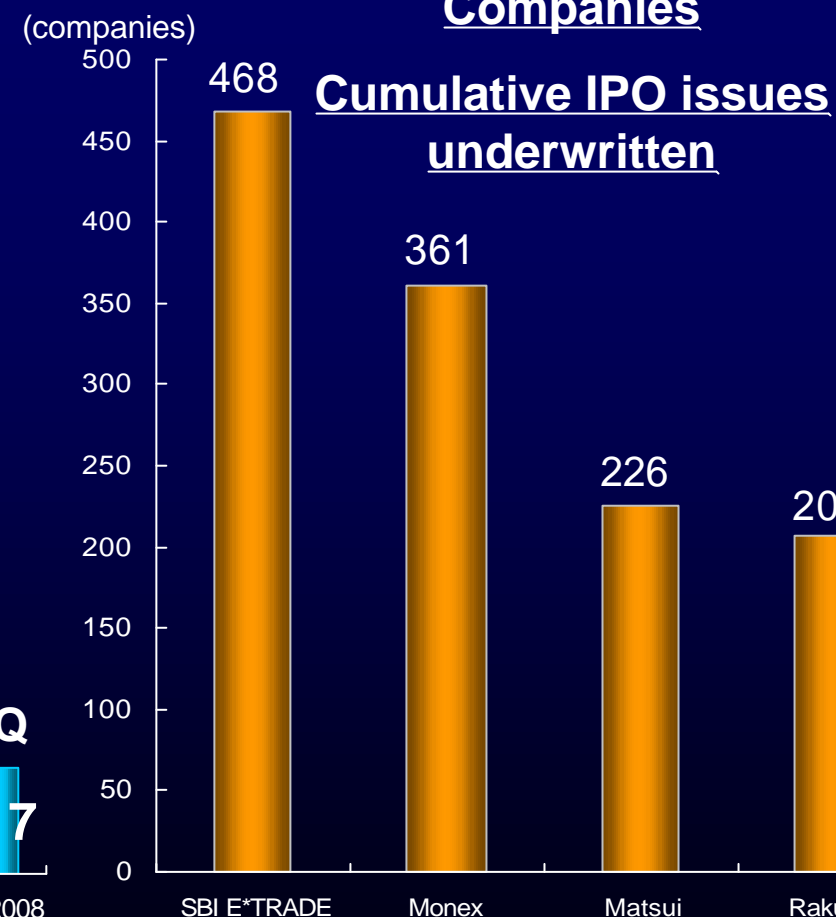
IPO Underwriting (1)

SBI E*TRADE



*Includes over-allotments.
 Based on listing date. Excludes brokerage sales and
 real estate investment trusts.

Major Online Securities Companies



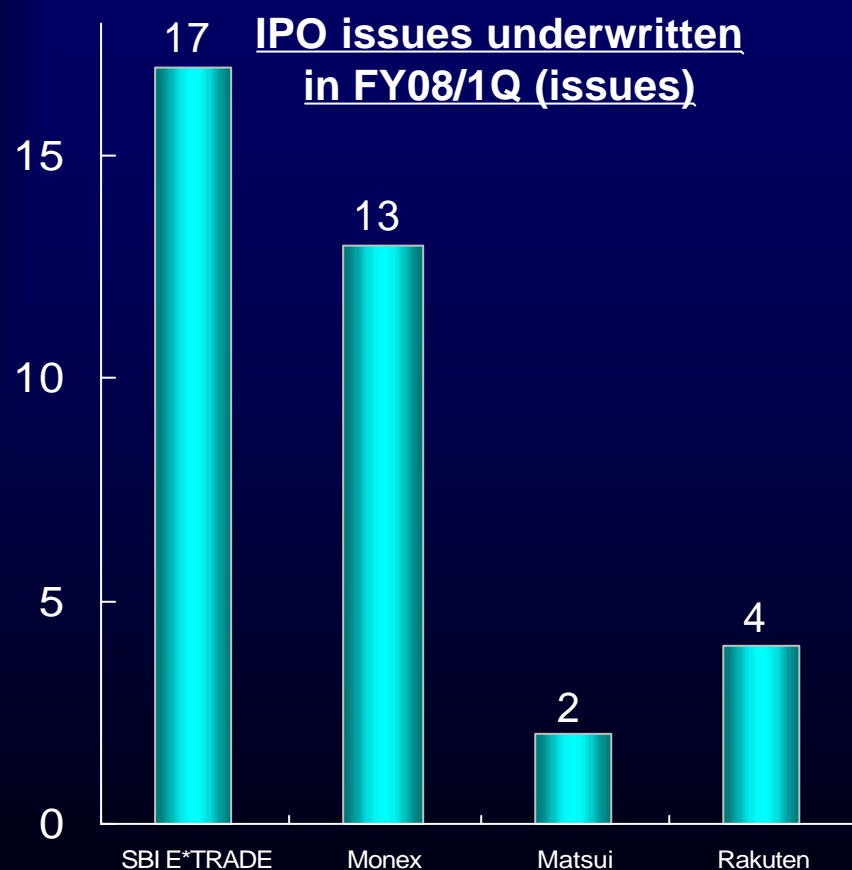
Source: SBI E*TRADE SECURITIES based on available information. Covers
 operations from inception through June 2007 (based on listing date). Excludes
 brokerage sales and real estate investment trusts.

(3) Consolidated Underwriting, Offering and Selling Commissions

IPO Underwriting (2)

Big Four Online Securities Companies

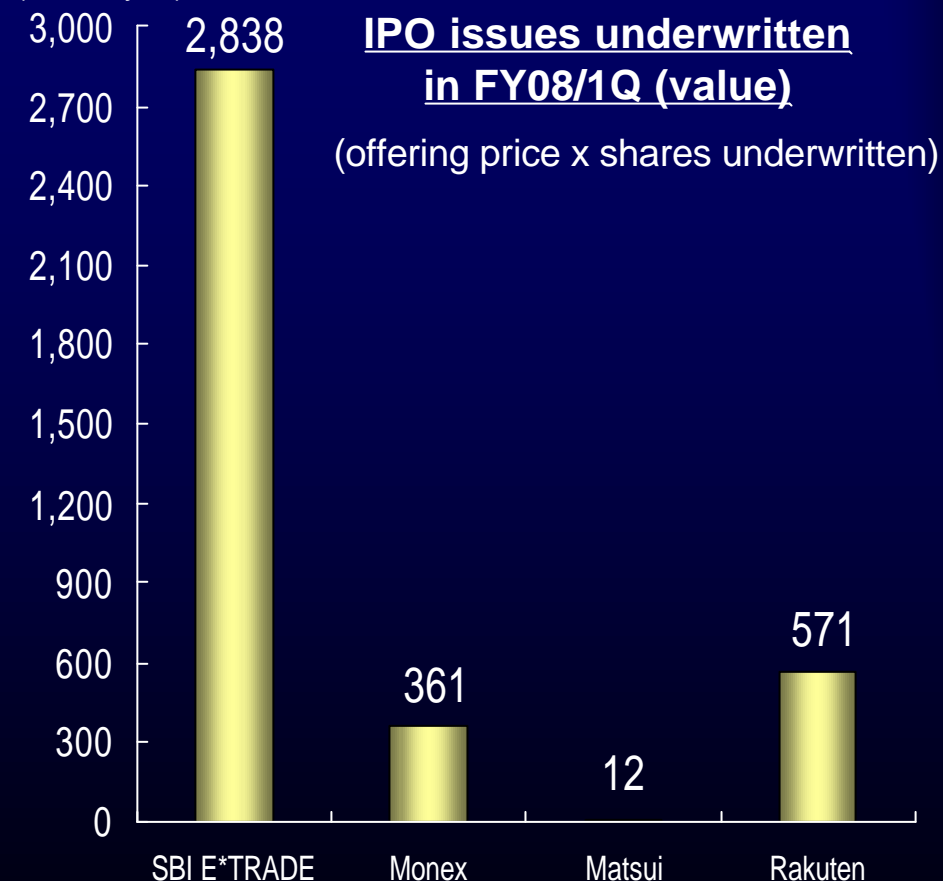
(companies)



*Includes over-allotments but not wholesale brokerage.

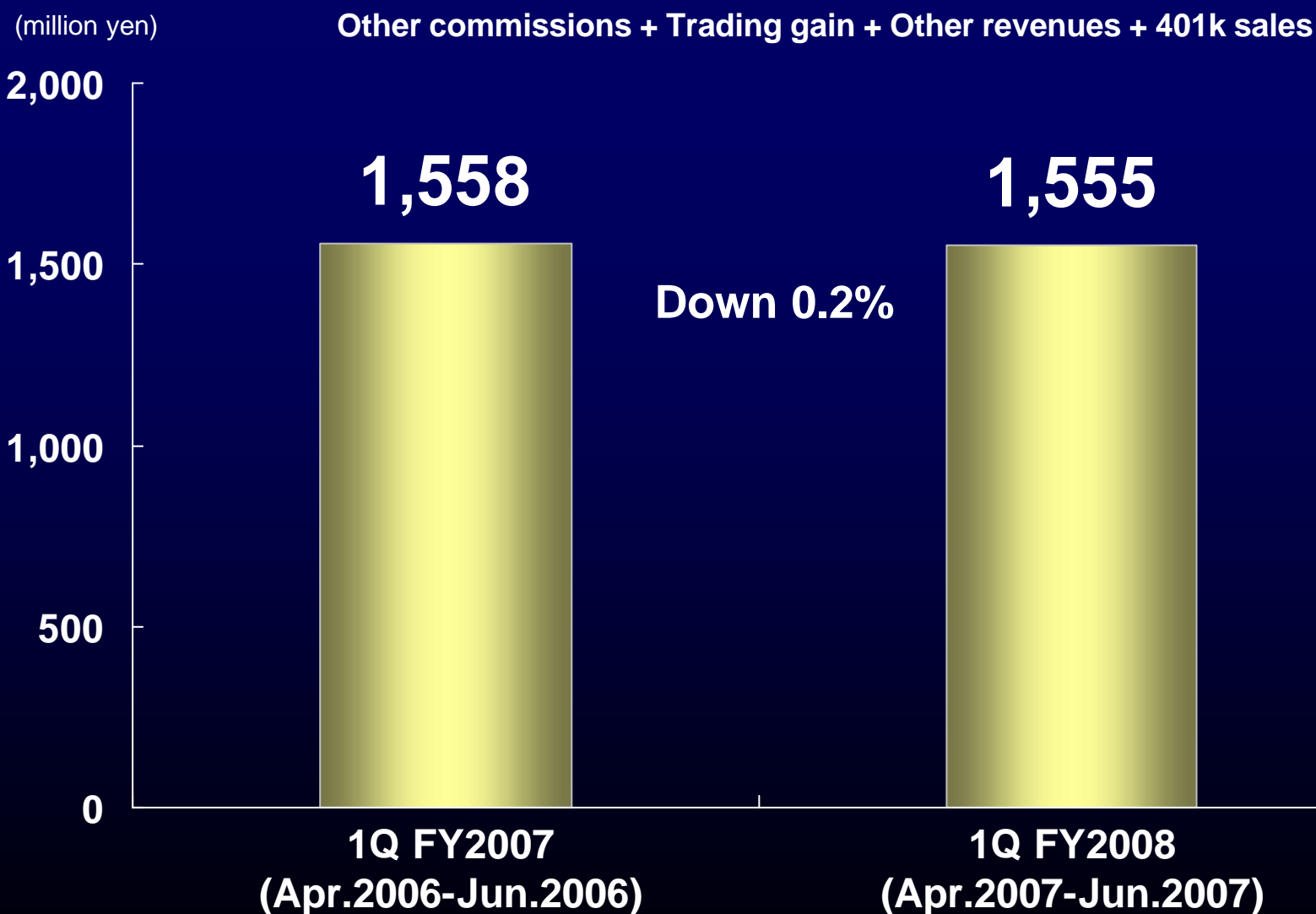
Big Four Online Securities Companies

(million yen)



Source: Compiled by SBI E*TRADE SECURITIES based on available information. Covers period through June 2007 (based on listing date).
 Excludes brokerage sales and real estate investment trusts.

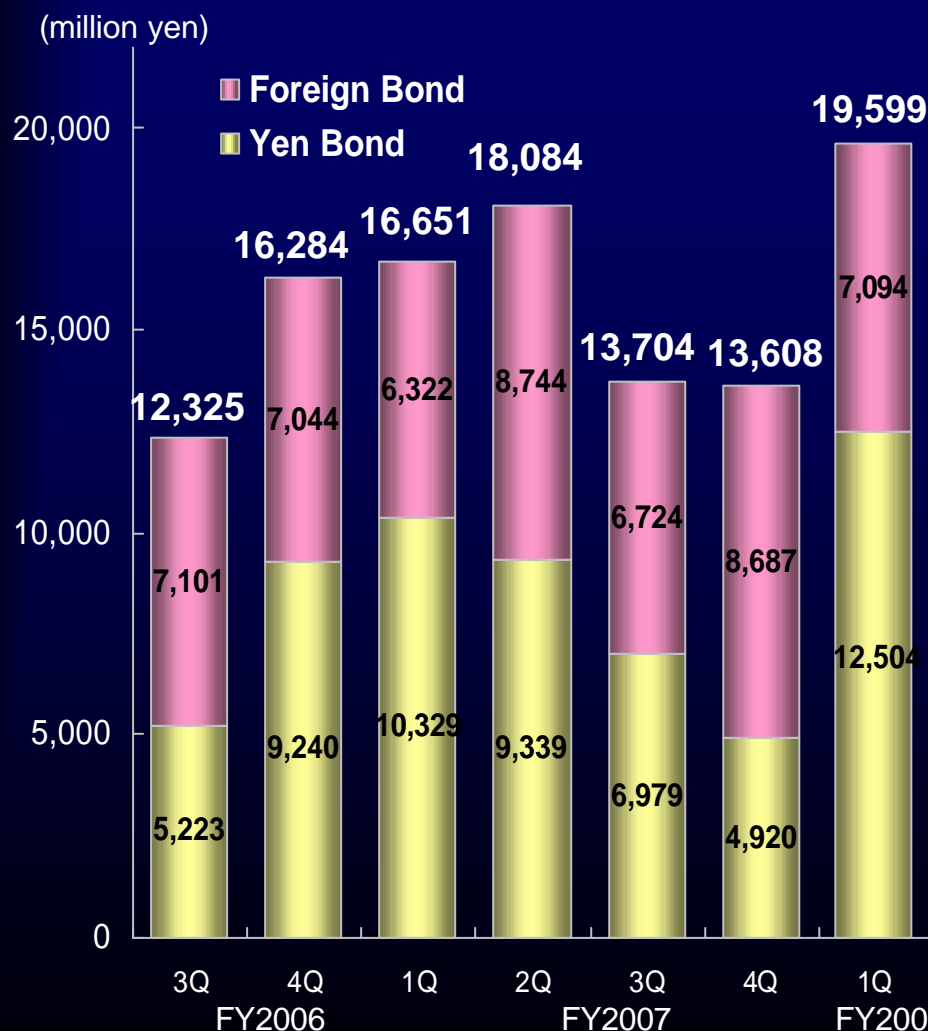
FY08/1Q Highlights

(4) Consolidated Trading Gain and Other Revenues

(4) Consolidated Trading Gain and Other Revenues

Sales of Bonds

Government, corporate and foreign bond sales



Yen-denominated bonds

Sales up 154% YoY due to very strong sales of corporate bonds and of Japanese government bonds for individuals
 Yen-denominated bond sales set a new quarterly record

Foreign bonds

Continuation of strong sales of South African rand bonds and exchangeable bonds (receipt of another company's stock upon redemption)

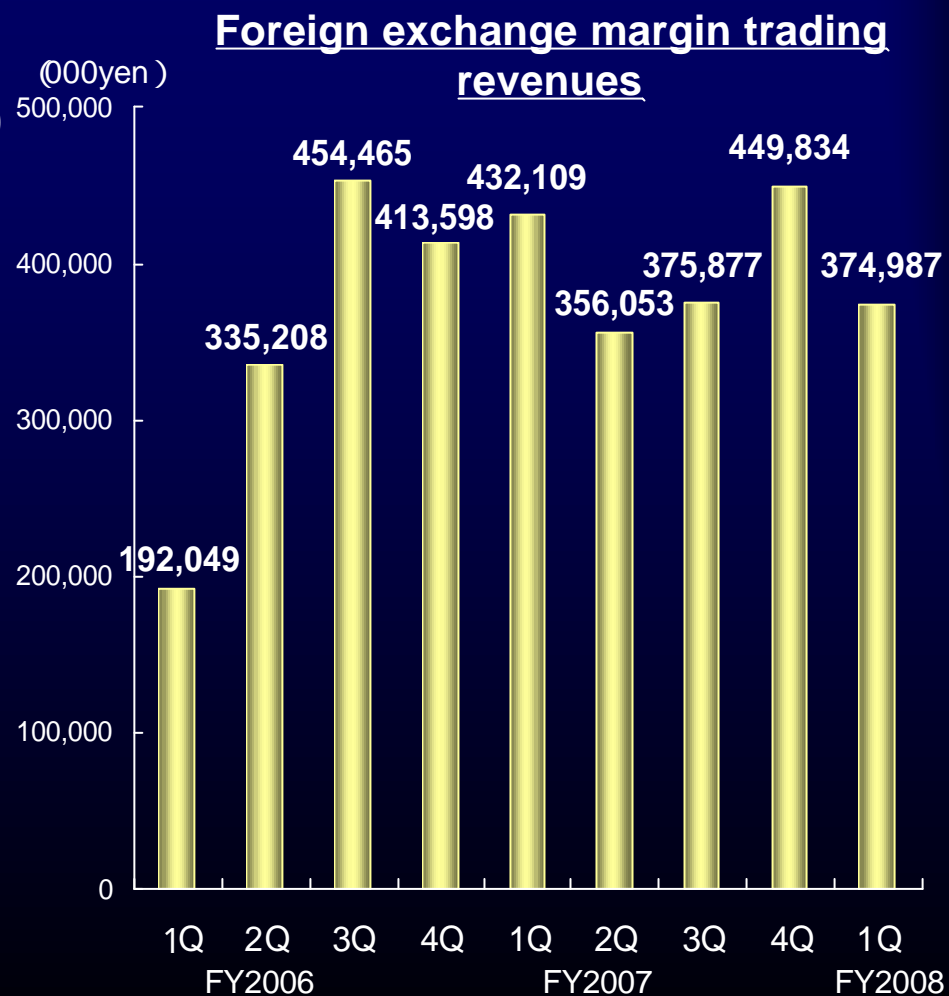
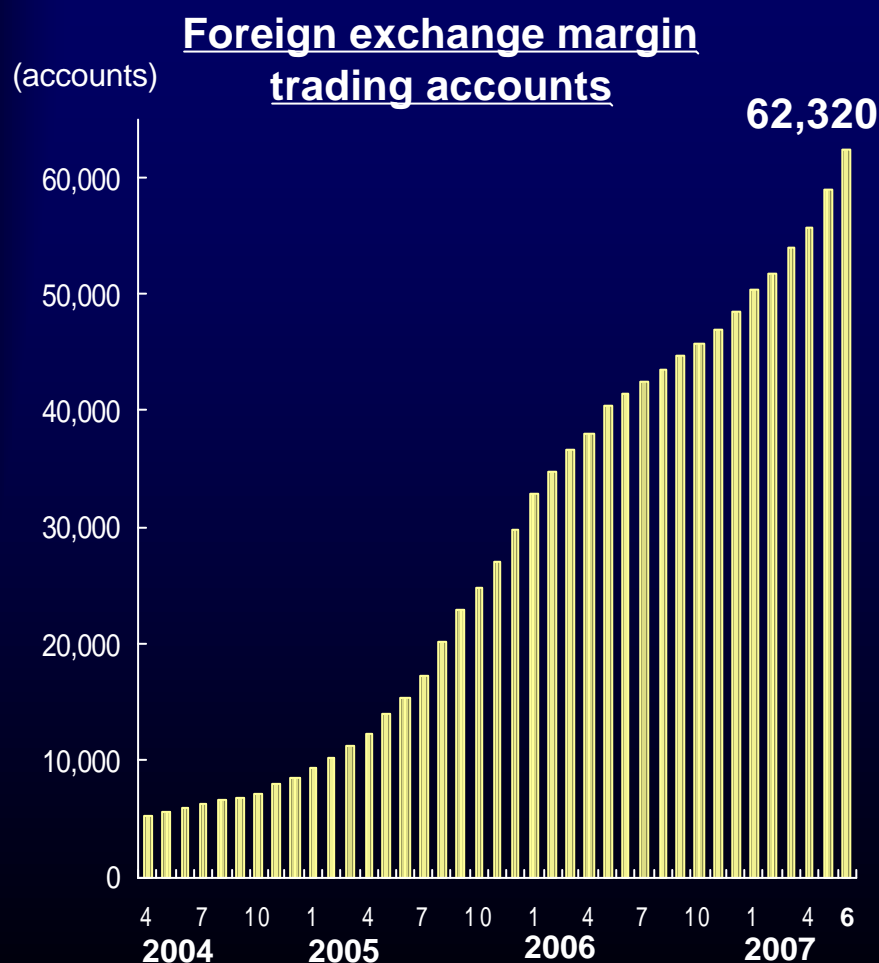
Combined sales of yen and foreign bonds reached an all-time high

*Retail JGB revenues are included in underwriting and selling commissions. Above figures include brokerage sales.

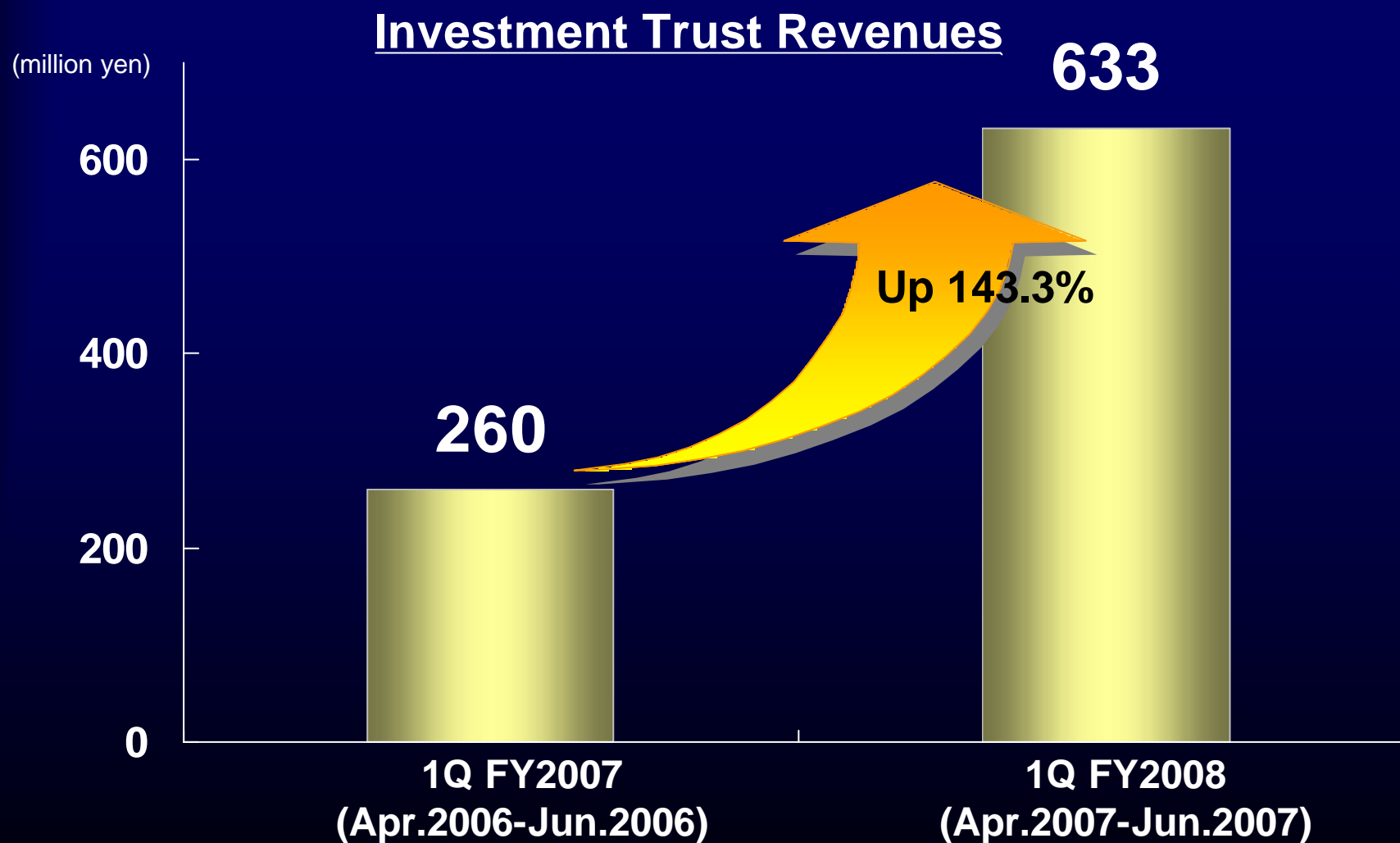
(4) Consolidated Trading Gain and Other Revenues

Growth in Foreign Exchange Margin Trading

Conducted a “zero commission campaign” in June and then lowered regular commissions



FY08/1Q Highlights

(5) Growth in Investment Trust Operations

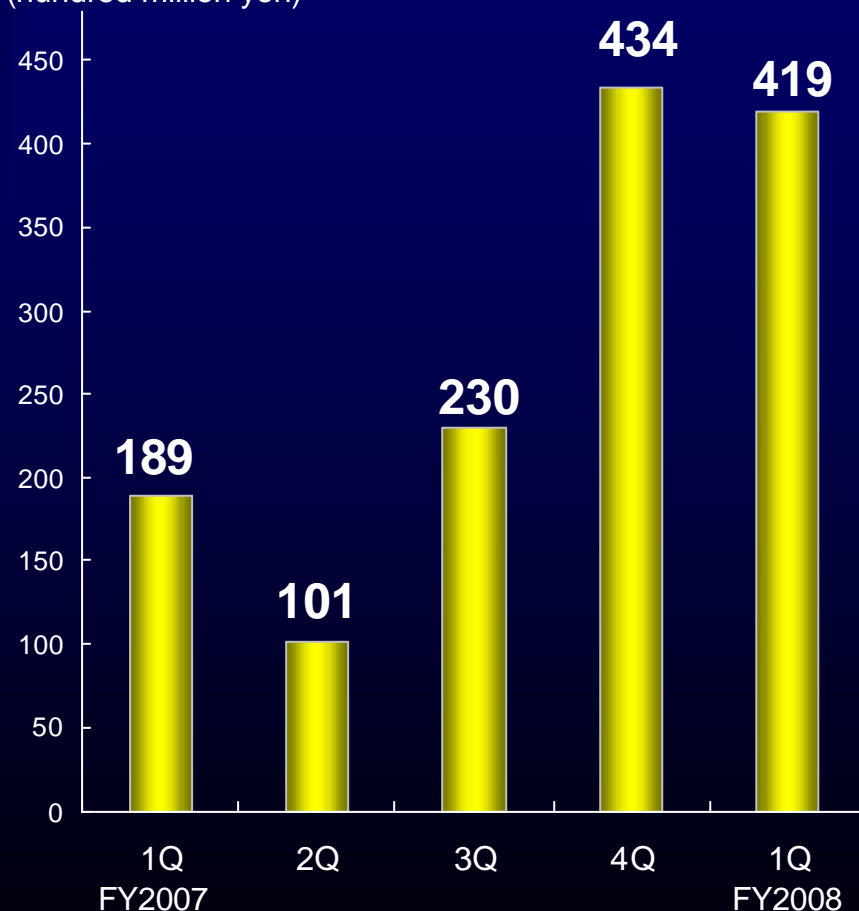
*Total of sales commissions and trust fees (including Money Reserve Fund)

(5) Growth in Investment Trust Operations

Investment Trust Sales and Highlights

Investment trust sales

(hundred million yen)



Using SBI Group synergies to offer more investment trusts

SBI India & Vietnam Equity Fund Started sales in June 2007



- Allows individuals to invest in two countries with fast-growing economies
- Now conducting 1% sales commission campaign (cash rebate of 2% of investment)



Set a new sales record*

- July 18 Completed sale of E*TRADE allotment of ¥15 billion (out of total initial fund subscription of ¥20 billion)
- July 25 Started additional sales of SBI India & Vietnam Stock Fund

*New investment trust sales by E*TRADE

*Includes Money Management Fund and Midium Term Gov. Bond Fund

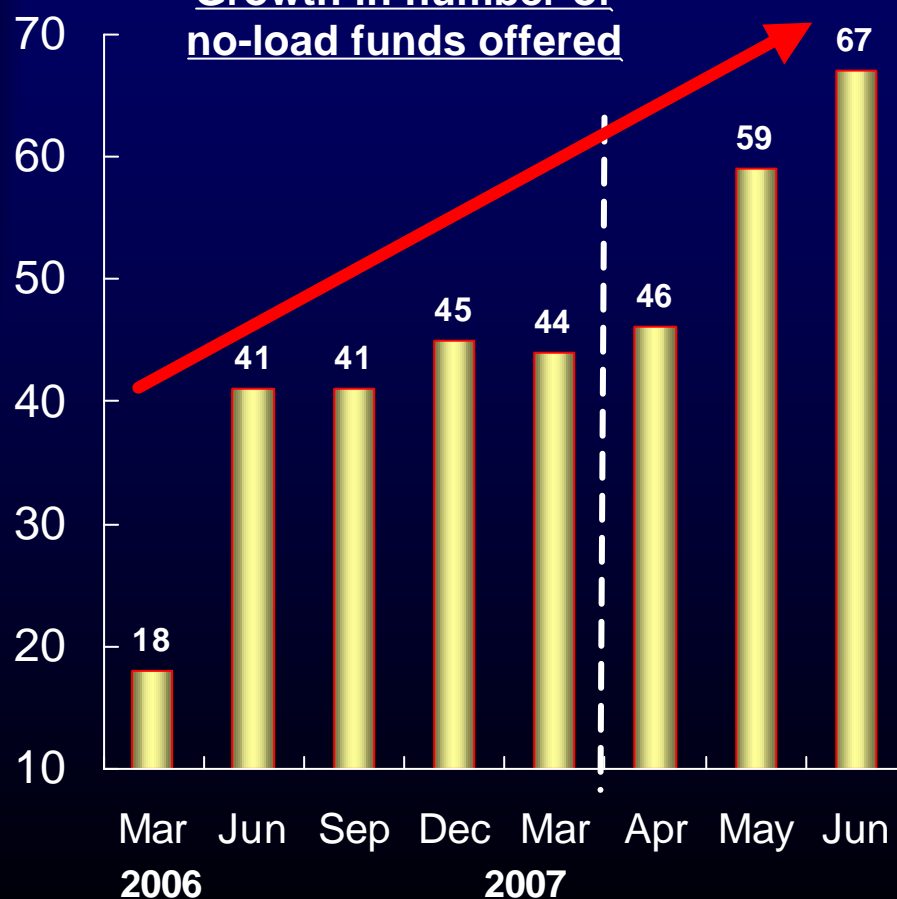
(5) Growth in Investment Trust Operations

Sales of No-load Funds

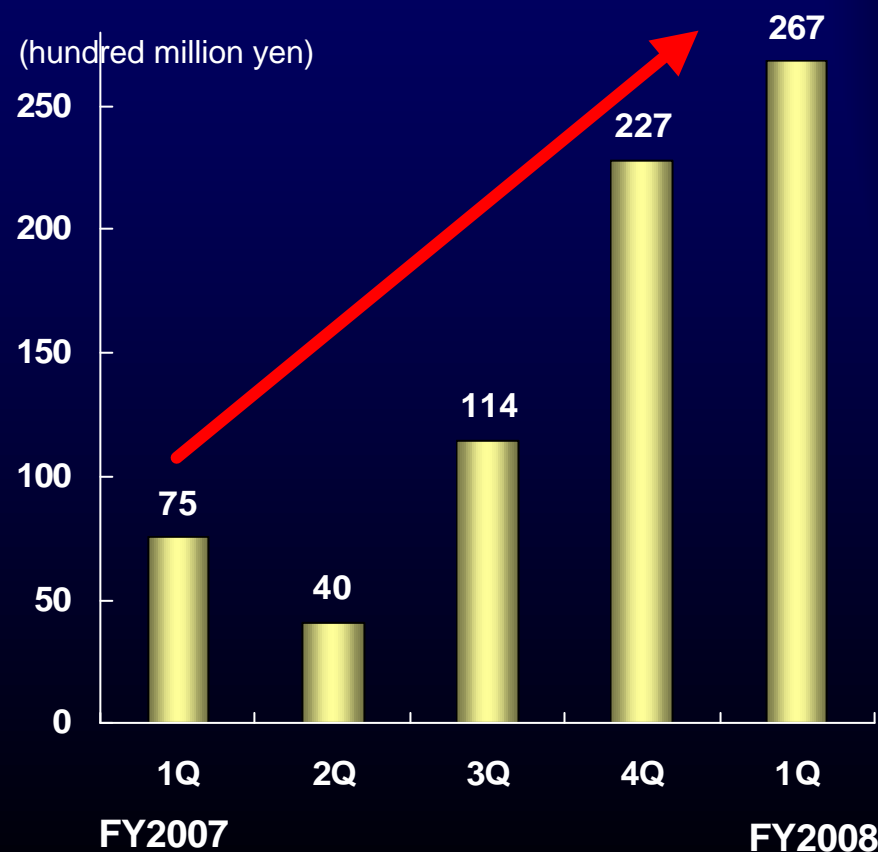
Sales of no-load funds in FY08/1Q increased about 3.6 times YoY due to a significant increase in the number of funds offered

(# of fund)

Growth in number of no-load funds offered



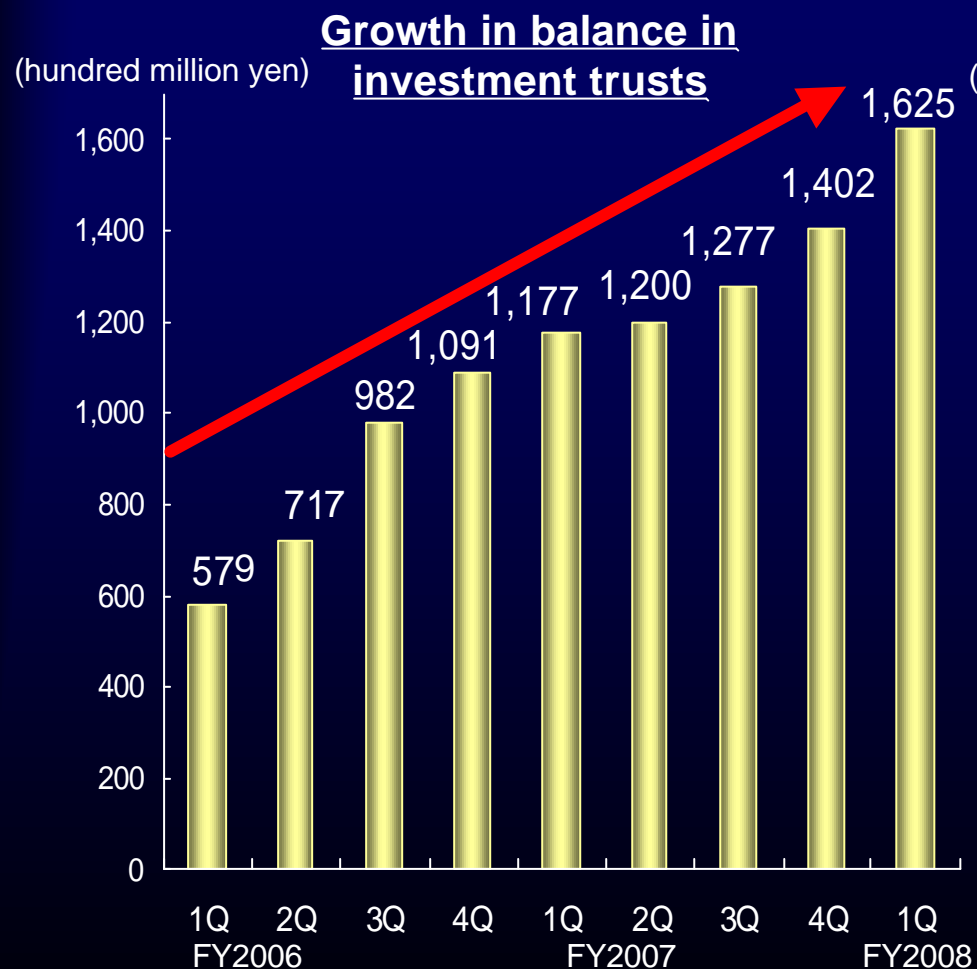
Growth in sales of no-load funds



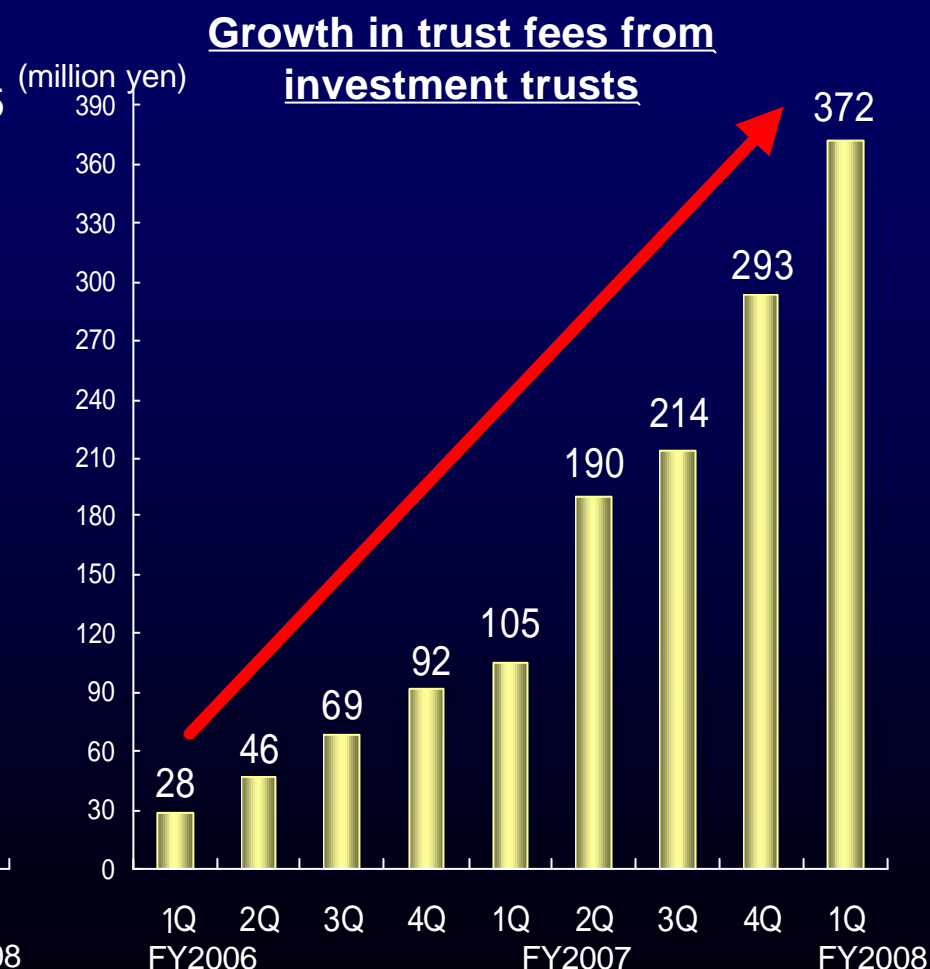
(5) Growth in Investment Trust Operations

Growth in Assets in Investment Trusts and Trust Fees

Trust fees increased more than the balance due to growth in sales of no-load funds



(Note) Includes Money Management Fund and Medium Term Gov. Bond Fund

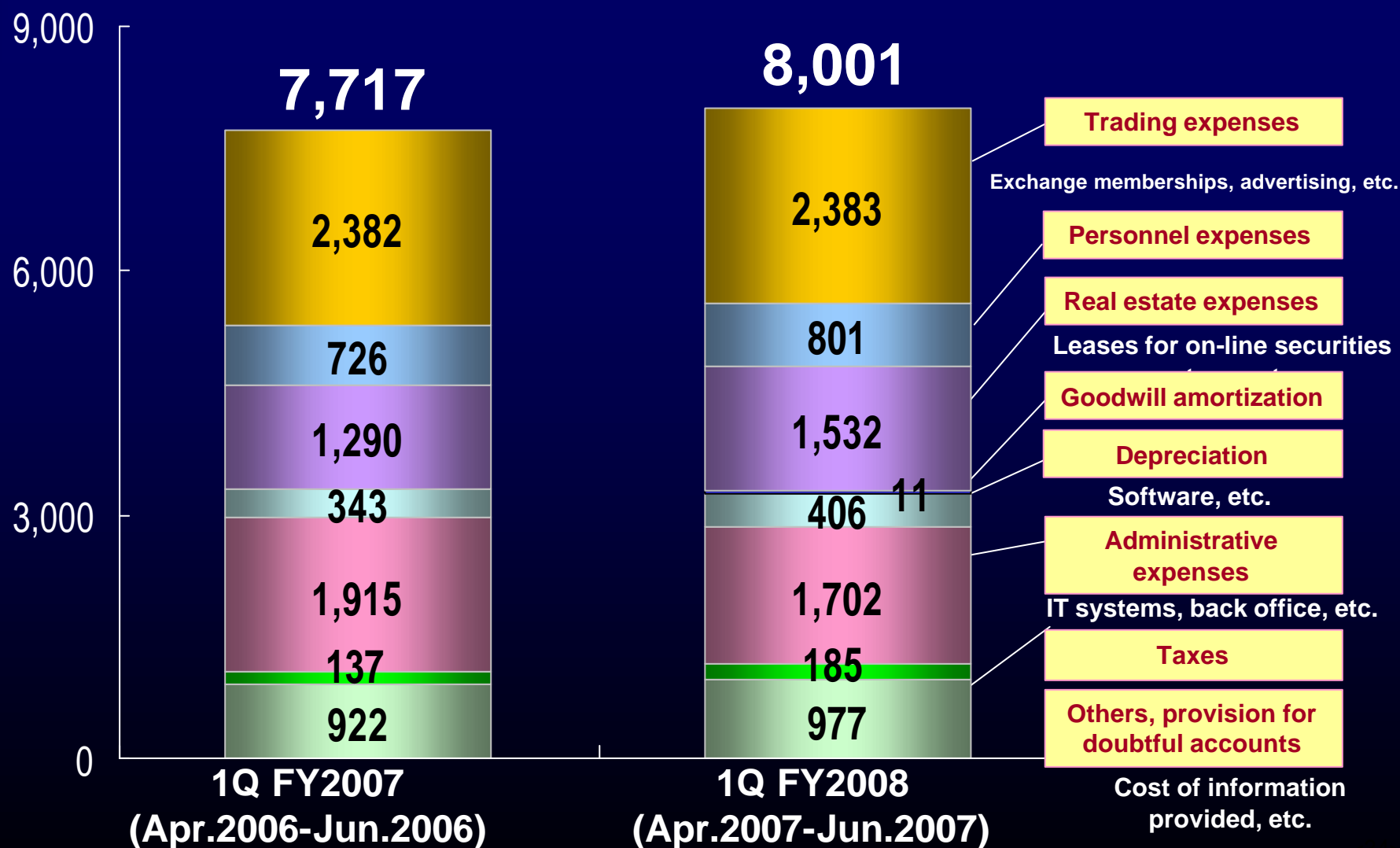


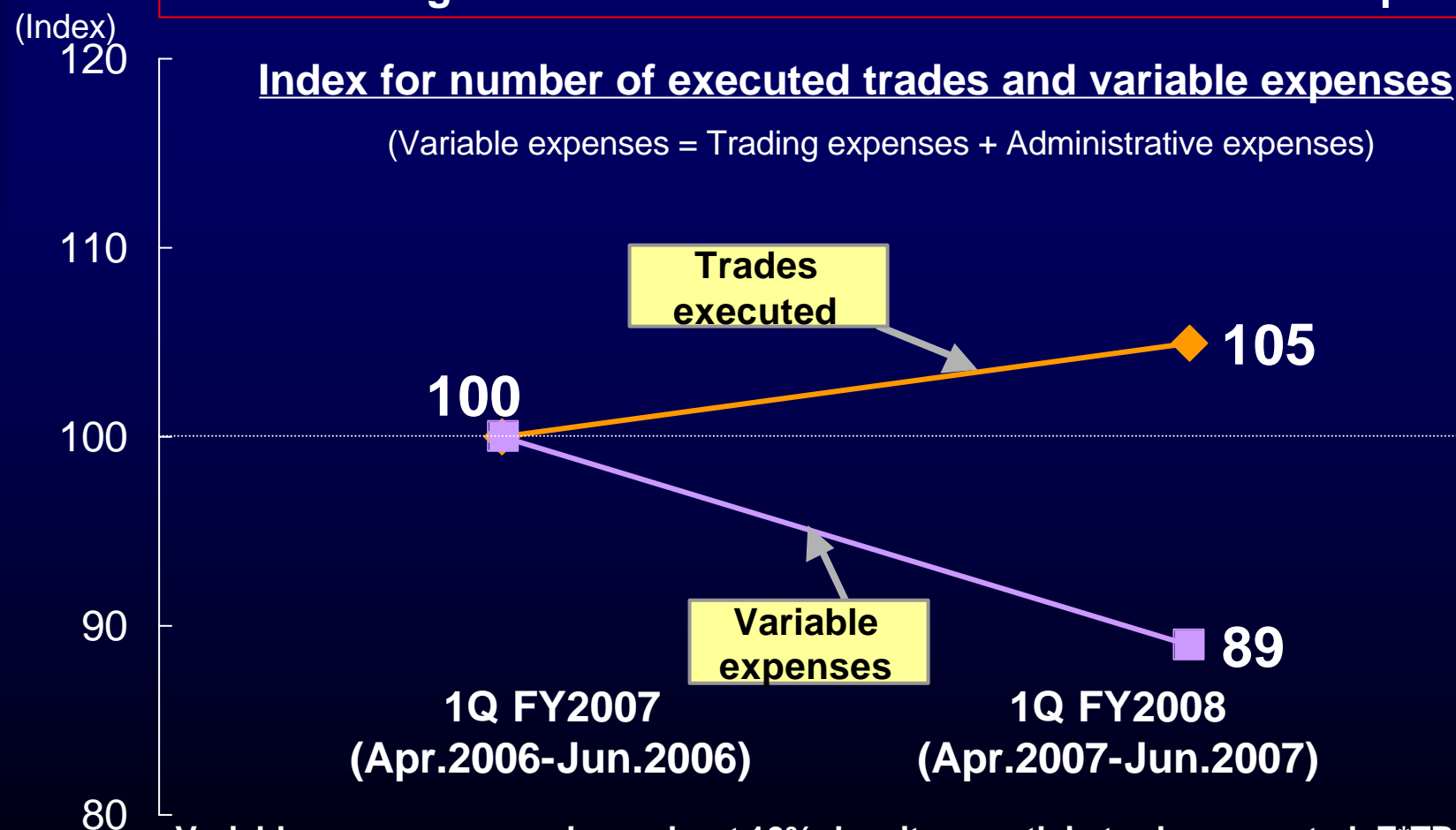
(Note) Includes Money Management Fund, Money Reserve Fund and Medium Term Gov. Bond Fund

FY08/1Q Highlights

(6) Consolidated Selling, General and Administrative Expenses

(million yen)



(6) Consolidated Selling, General and Administrative Expenses**Trades Executed and Variable Expenses****Cost cutting initiatives continued to hold down variable expenses**

Variable expenses were down about 10% despite growth in trades executed. E*TRADE significantly lowered variable expenses through efforts to cut trade-related administrative expenses.

*Based on non-consolidated data

FY08/1Q Highlights

(7)E*TRADE Korea Financial Highlights

(million yen/%)

	1Q FY2007 (Apr.2006-Jun.2006)	1Q FY2008 (Apr.2007-Jun.2007)	Change
Operating revenues	1,502	2,291	+52.5
Net operating revenues	1,413	2,068	+46.3
Operating income	411	623	+51.6
Ordinary income	417	620	+48.5
Net income	316	384	+21.6

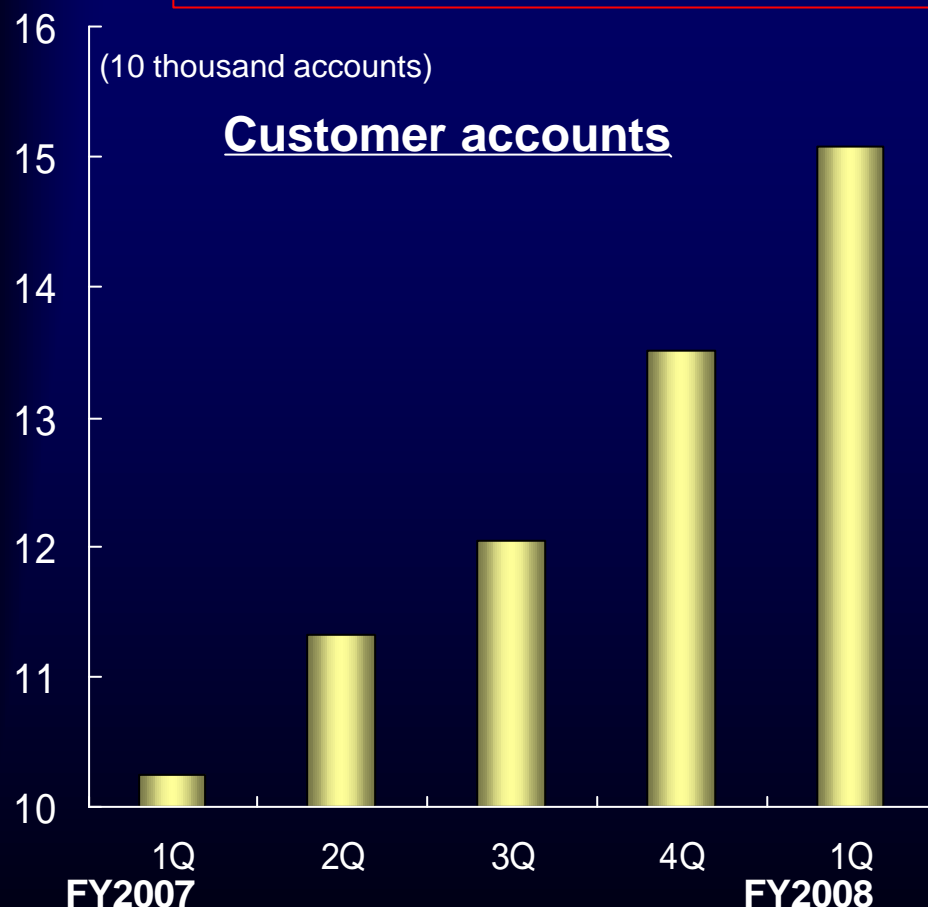
(Converted to yen using average monthly exchange rates for monthly operating results.)

(7) E*TRADE Korea summary

Summary of E*TRADE Korea Performance



Growth in customer accounts and high trading volume on stock markets raised revenues and earnings; revenues rose to an all-time high



Profile (June 30, 2007)

Capital : 66,390 million won

E*TRADE ownership : 73.4%

Online customer accounts : 150,888 (4th in Korea)

Brokerage trading value: 19,431,283 million won
(11th in Korea)

New initiatives

- Provide customers with global access to markets
Plan to begin handling trades on U.S., Chinese and Hong Kong stock exchanges
- Upgrade sales capabilities by using sophisticated IT systems

Unrealized gain of about **¥15.8 billion** on E*TRADE Korea shares held by SBI E*TRADE JAPAN (June 30, 2007)

*Using exchange rate as of June 29, 2007

2. Major Initiatives in the First Quarter

2. Major Initiatives in the First Quarter

First Quarter Operating Highlights

White items are new services.

Yellow items are alliances and other announcements.

Month	Description
April	<ul style="list-style-type: none"> • Started reverse limit order service using HYPER E*TRADE • Started instant settlement service through agreement with Seven Bank • Started offering to account holders access to The SBI Community, E*TRADE Chouja Mura (E*TRADE billionaires Village) community website operated by SBI Holdings *Approved resolution to merge with SBI Securities on October 1, 2007.
May	<ul style="list-style-type: none"> • Introduced HYPER MOBILE cell phone service compatible with the “S!Appli” Java application service • 空前絶後の大作戦」Conducted customer appreciation campaign by lowering fees to the industry’s lowest level for eight financial instruments • Started “Mobile E*TRADE for W-ZERO3” service for the Willcom W-ZERO3 series of handsets • Started the “Double Smile” investment trust sales campaign *Approved resolution to purchase TradeWin and Traders Financial Systems through an exchange of stock on July 9
June	<ul style="list-style-type: none"> • Lowered regular fees for E*TRADE FX foreign exchange margin trading • Reduced interest rates for long margin trades with no maturity (general margin trades) • “Kuuzenzetsugo-no-dai-sakusen” campaign conducted new customer appreciation campaign • Started providing information on individual 401k accounts through the “Minna no Money Site” website of Seven Bank • Started selling overseas exchange-traded funds (ETF)

2. Major Initiatives in the First Quarter

Customer Appreciation Campaign Lowered Fees to the Industry's Lowest Levels

E*TRADE began offering the lowest fees on many products and services

General margin trade interest rate (long)*	From 3.3% to 3.09%	6%off
Odd-lot trades (S shares)	<u>Transaction value x 0.63%</u> No minimum	60%off
Foreign exchange margin trading E*TRADE*	¥300 per unit trade ¥4,500 for all transactions of 15 or more unit trades	66%off
Nikkei 225 futures	<u>¥525 per contract</u>	41%off
Mini Nikkei 225 futures	<u>¥105 per contract</u>	50%off
Nikkei 225 options	<u>Transaction value x 0.21%</u> ¥210 minimum	71%off
Chinese stocks	<u>Transaction value x 0.4095%</u> HK\$31.50 minimum HK\$315 maximum	22%off
e-Warrants	<u>¥262 under ¥200,000 ¥525 for larger transactions</u>	50%off

*Items further lowered fees after the campaign

Furthermore

E*TRADE conducted a campaign from June 18 to July 28 where customers could win prizes of up to ¥100,000 depending on trading activity.

E*TRADE is helping individual investors diversify risks by making many types of investments in addition to Japanese stocks easily accessible.

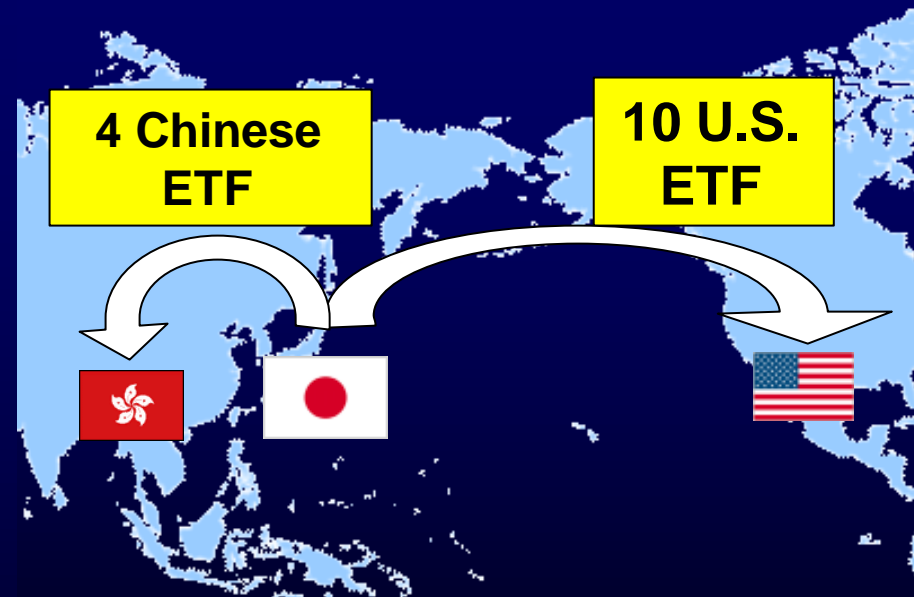
2. Major Initiatives in the First Quarter

Started Sales of Overseas Exchange Traded Funds

Started selling U.S. funds on June 19 and Chinese (Hong Kong) funds on June 29

<Profile of overseas ETF>

1. Index-linked management makes ETF easy to understand
2. Can purchase using limit orders just as with overseas stocks
3. Trust fees are lower than at ordinary investment trusts
4. E*TRADE customers can buy ETF at the industry's lowest commission rate, just as with overseas stocks
5. ETF can be held as a foreign-currency investment



ETF share of all foreign stock trades executed by E*TRADE
(Since start of service to July 27)

U.S. stock trades ➡ 42.1%

Chinese (Hong Kong) stock trades ➡ 7.1%

More funds will be added in line with the needs of individual investors

2. Major Initiatives in the First Quarter

Purchased All Shares of Two Financial Software and Systems Companies

Establishes a more powerful IT system development framework



(Benefits of acquiring these companies)

- Ability to develop new services faster by sharing information and issues to be solved
- Cost savings for development of IT systems

3. New Initiatives

3. New Initiatives

(1) Become a online comprehensive securities company

- Establish a consistently profitable operating framework
- Establish sound positions in retail and wholesale businesses, the two core elements of an online comprehensive securities company

(2) Actions

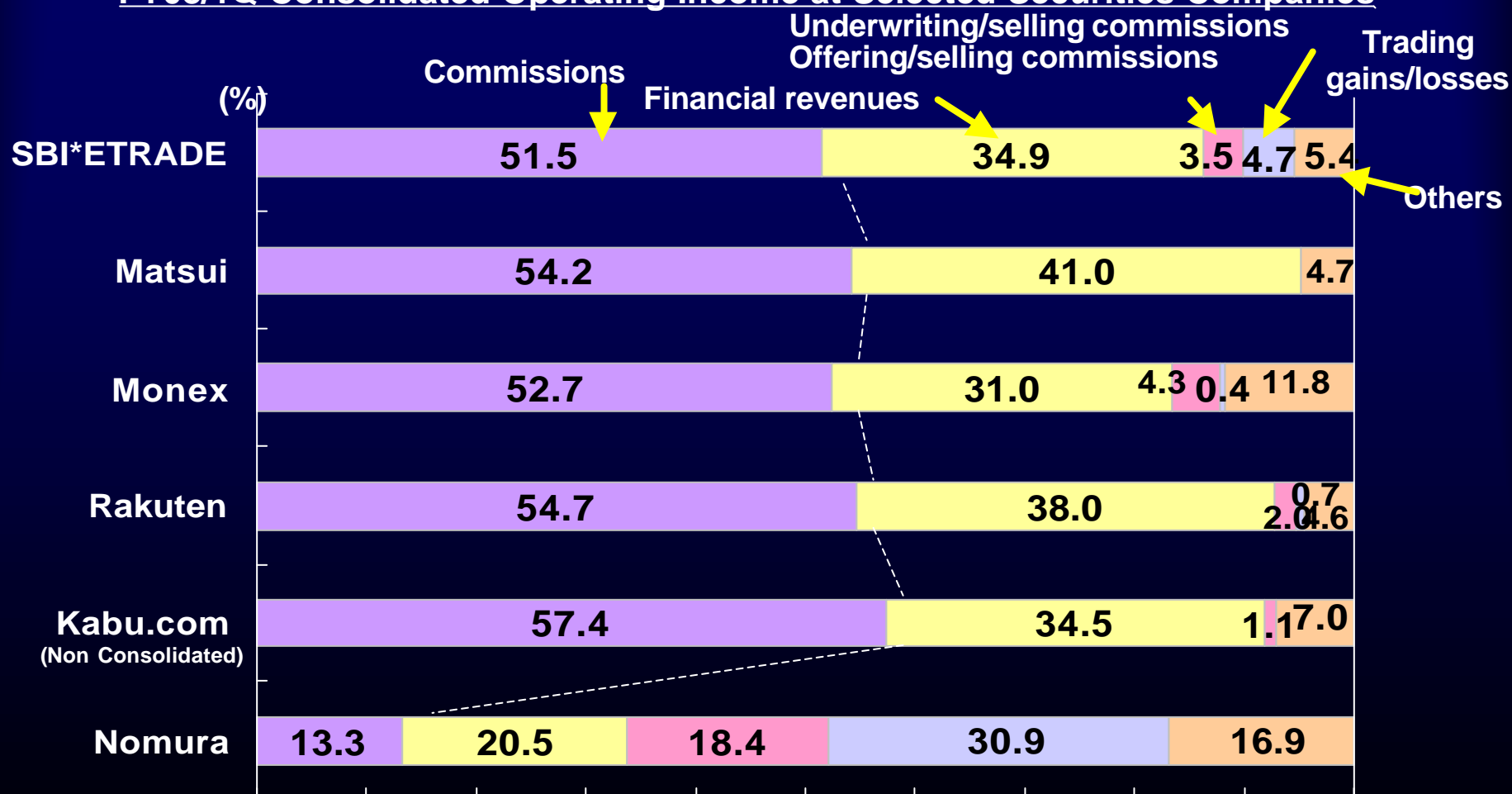
- Merge with SBI Securities to create Japan's first securities company combining online and conventional (face-to-face) operations
- Proceed with preparations to start an off-hours market for stocks
- Pursue synergies between online bank and SBI Group companies
- Use the securities brokerage business to upgrade investment trust sales capabilities
- Consider renovating and upgrading the visitor website

(1) Become a online comprehensive securities company

Establish a consistently profitable operating framework

Build a profit structure that is not vulnerable to market fluctuations

FY08/1Q Consolidated Operating Income at Selected Securities Companies



Source: Company websites and earnings releases (*Nomura Securities earnings use Japanese accounting standards.)

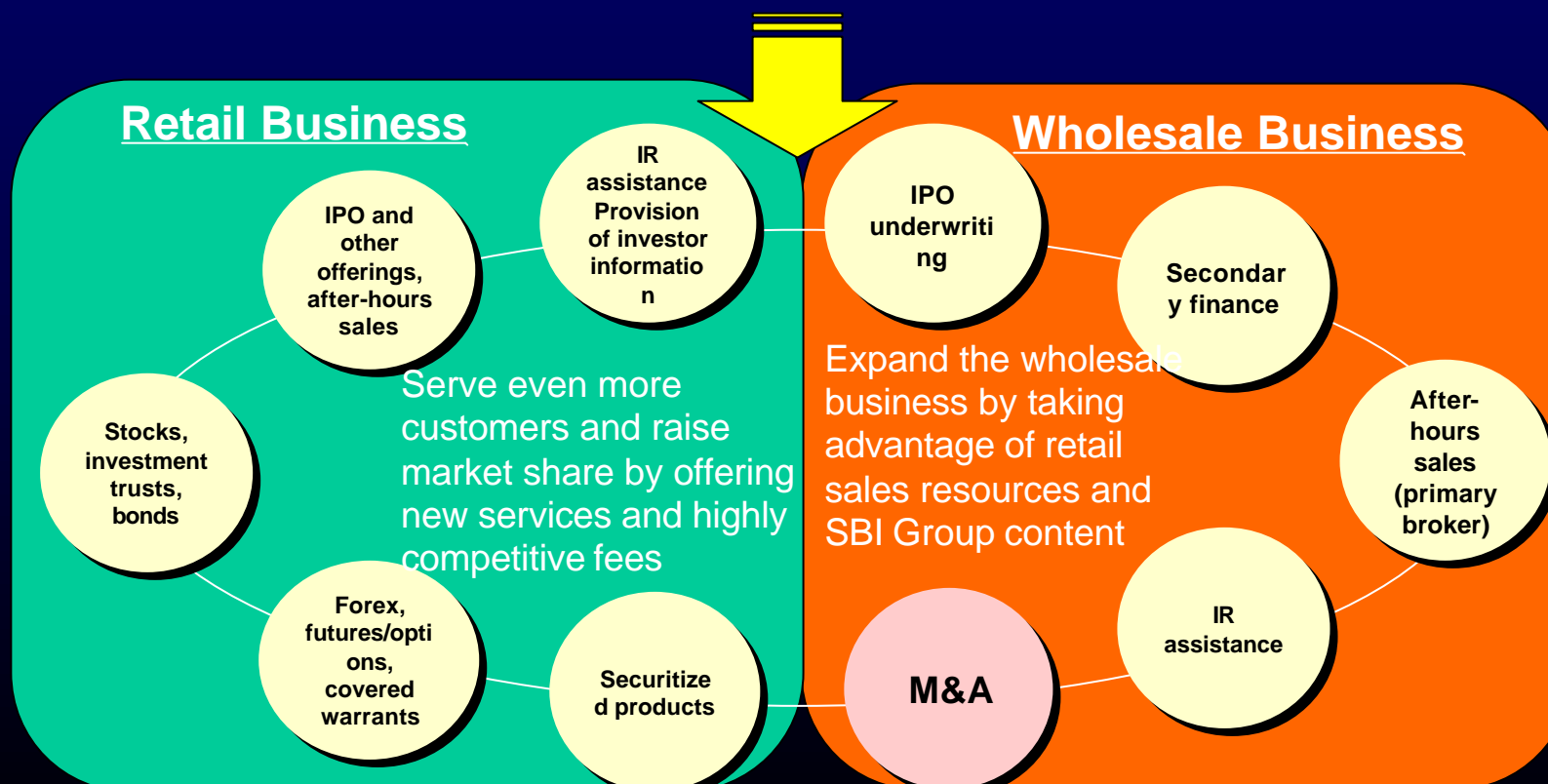
(1) Become a online comprehensive securities company

Establish sound positions in retail and wholesale businesses

Build a stable profit structure by using retail business strengths to expand the wholesale business

Dominant share of the retail market: 1,450,764 customer accounts (June 30, 2007)

Large and growing share of individual brokerage trading value :33.4% (FY08/1Q) (Note)



Note: Calculated by SBI E*TRADE SECURITIES based on TSE and JASDAQ materials and other available information.

(2) Actions**Merger with SBI Securities****Create Japan's first online and conventional (face-to-face) securities company**

Combine operations based on the Internet with skill in face-to-face services to become an online comprehensive securities company with growing retail and wholesale operations

Integration of trading and settlement systems**Internet Business**

- Offer the industry's best services with the lowest fee structure
 - < Ideas for post-merger services >
- Hold seminars at offices
- Use the Internet to provide information about offices and personnel
- Establish a call center that offers consulting services

Wholesale Business

- IPO underwriting
 - < Growth initiatives >
- Support for post-IPO fund-raising
- Expansion of public offering underwriting

Branch Office (face-to-face) Business

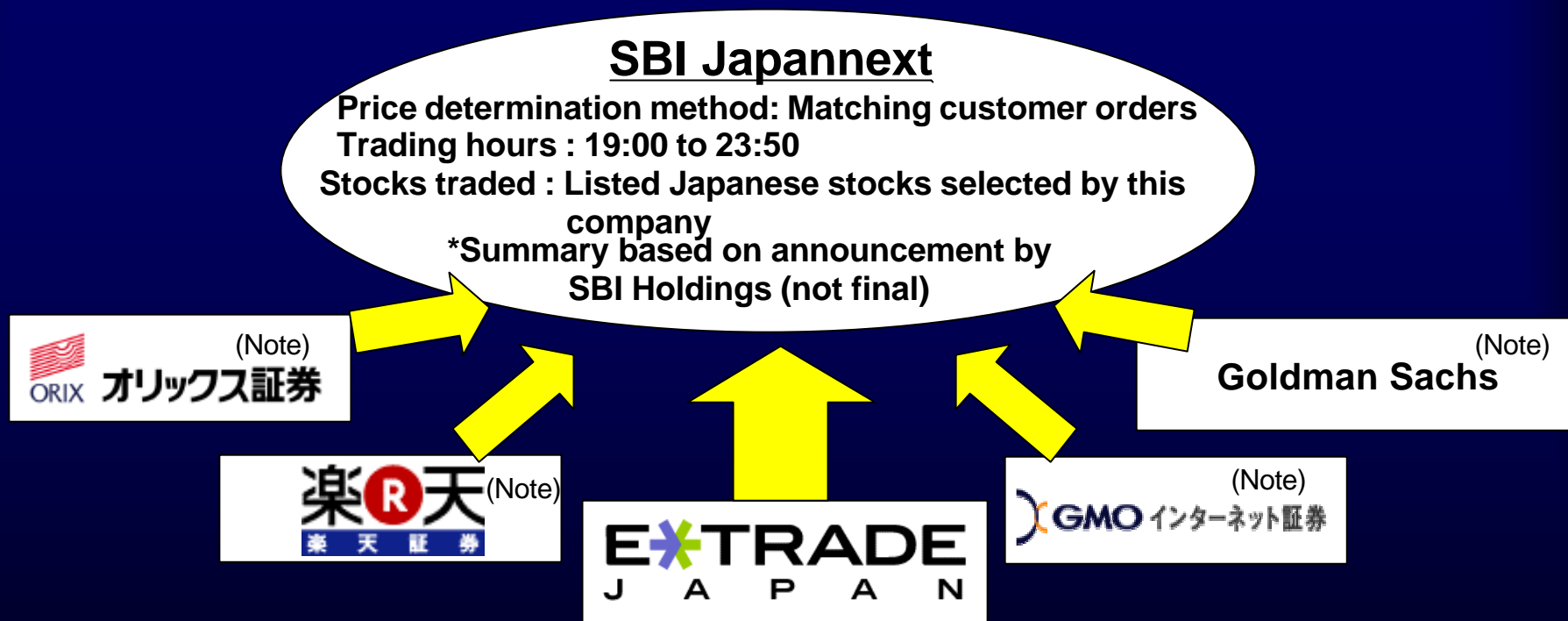
- < Ideas for new services >
- Start private banking business
- Asset management services for executives at companies where SBI E*TRADE was an IPO underwriter
- Open online securities accounts
- Hold real seminars

A total of 11 task forces (sales, IT systems, operations, legal affairs, administrative functions, finance, etc.) are now at work to study specific actions to take following the October 2007 merger.

(2) Actions

Preparations to Start Evening Trading Market for Stocks

SBI Japannext received PTS* approval on June 27, 2007 *Proprietary trading system



The participation of Goldman Sachs is expected to greatly improve the liquidity of this trading system.

SBI E*TRADE SECURITIES plans to start offering this service when SBI Japannext begins operating its PTS, which is currently scheduled for the end of August.

(2) Actions

Pursue Synergies Between Online Bank and SBI Group Companies

E*TRADE plans to act as an agent for the online bank to be established by the SBI Group and Sumitomo Trust



Sumishin SBI Net Bank Research Co., Ltd.

Capital : About ¥14 billion

Ownership : 50% each by SBI Holdings and Sumitomo Trust

- Sumishin SBI Net Bank Research plans to start banking operations during the first half of fiscal 2008.
- Assuming this company receives a banking license, E*TRADE plans to immediately begin offering banking agency services.

Possible services

Closely link securities accounts and bank accounts

- Use a “sweep” service to simplify the transfer of funds; permit access to a securities and bank account with a single Internet sign on
- Use a secure network link to permit opening a bank account without submitting documents for proof of identity (assumes that identity has been confirmed when the securities account was opened)



Offer more services to enhance convenience in line with the customer-first philosophy

*These services can be started only after regulatory approval is received for banking operations.

(2) Actions

Use Securities Brokerage To Increase Investment Trust Sales

Established a sales network solely for investment trusts in order to increase sales and assets under management

SBI Fund Bank

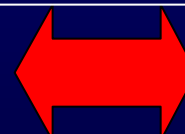
Securities brokerage business with emphasis on investment trusts

Handles mainly the funds sold by SBI E*TRADE SECURITIES (about 270 funds as of June 30, 2007)



In addition, this company uses its website to provide thorough explanations of other funds that it has carefully selected on its own.

Securities broker agreement



<Profile of SBI Fund Bank>

Established	April 19, 2007
Ownership	SBI Holdings (100%)
Capital	Common stock ¥200 million Capital surplus ¥100 million

By making investment trusts its core product, SBI Fund Bank is dedicated to meeting the growth in asset management needs among individuals as the investment trust industry expands.

*These services can be started only after SBI Fund Bank receives regulatory approval as a securities broker.

(2) Actions

Consider Upgrading the Visitor Website

Work has started to structure the website to attract more customers

The current site has an excellent reputation among Internet users

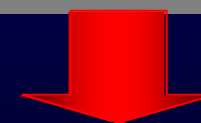


A large selection of services and information

Popular among investors who are experienced PC users



Difficult for first-time users to locate and select information



Goal is to offer outstanding ease of use so that visiting the site is a pleasant, stress-free experience

Improve convenience for current customers while attracting customers of conventional securities companies and individuals with no investment experience, thereby further increasing the volume of online securities transactions.

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