

Information Meeting for First Half of Fiscal 2008 SBI E*TRADE SECURITIES

~ Six months ended September 30, 2007 ~

October 30, 2007

**SBI E*TRADE SECURITIES Co., Ltd.
Code 8701**

1. Financial Highlights

Consolidated Financial Highlights for First Half of Fiscal 2008

Achieved growth in revenues and earnings due to growth in trading volume and diversification of profit structure

(Unit: Million yen, %)

	First half of FY07 (April '06 ~ Sept '06)	First half of FY08 (April '07 ~ Sept. '07)	YoY change
Operating revenues	28,574	32,578	+14.0
Net operating revenues	26,792	29,249	+9.2
Operating income	12,212	12,658	+3.6
Ordinary income	12,468	12,539	+0.6
Net income	6,972	7,334	+5.2

Note: Ordinary income was up 4.2% YoY after excluding a one-time charge for an allowance for losses associated with certain securities.

Fiscal 2007 and 2008 Consolidated Quarterly Financial Highlights

Clear return to revenue and earnings growth due to end of impact of brokerage commission reduction in Q1 of fiscal 2007.

(Unit: Million yen, %)

	Fiscal 2007			Fiscal 2008			
	2nd quarter (July ~ Sept. '06)	3rd quarter (Oct. ~ Dec. '06)	4th quarter (Jan. ~ Mar. '07)	1st quarter (Apr. ~ June '07)	2nd quarter (July ~ Sept. '07)	YoY change	vs. prior quarter
Operating revenues	12,882	13,737	15,100	15,440	17,138	+33.0	+11.0
Net operating revenues	11,905	12,642	13,861	14,115	15,133	+27.1	+7. 2
Operating income	5,043	5,803	6,527	6,113	6,544	+29.8	+7. 0
Ordinary income	5,077	5,744	6,358	6,112	6,426	+26.6	+5. 1
Net income	2,789	3,191	3,646	3,221	4,113	+47.5	+27.7

Highlights of First Half of Fiscal 2008 Consolidated Performance

Diversification of profit structure produces year-on-year and quarter-on-quarter growth in revenues and earnings despite challenging market conditions

(1) Brokerage commissions • • Down 5.9% YoY to 15,458 million yen

- 1,498,757 customer accounts (end of Sept. '07). 92,860 new accounts during the first half (avg. of 15,476 accounts per month)
- Share of retail brokerage trading value rose to an all-time high of 34.1% in the first half.

(2) Financial revenues • • Up 40.6% YoY to 11,549 million yen

- Big increase of about 34.8% in net financial revenues to 8,671 million yen mainly because of growth in use of internal financing.
- 158,265 customer accounts (end of Sept. '07). 10,606 new accounts during the first half (avg. of 1,767 accounts per month)

(3) Underwriting, offering and selling commissions • • Up 76.2% YoY to 1,460 million yen

- Big increase in sales of investment trusts. Selling commissions and trust fees both set new records.
- Ranked first among Japanese securities companies by underwriting 31 issues.

(4) Trading gains and others • • Up 32.6% YoY to 4,110 million yen

- Revenue from foreign exchange margin trading reached an all-time high. Bond sales were also strong.

(5) Selling, general and administrative expenses

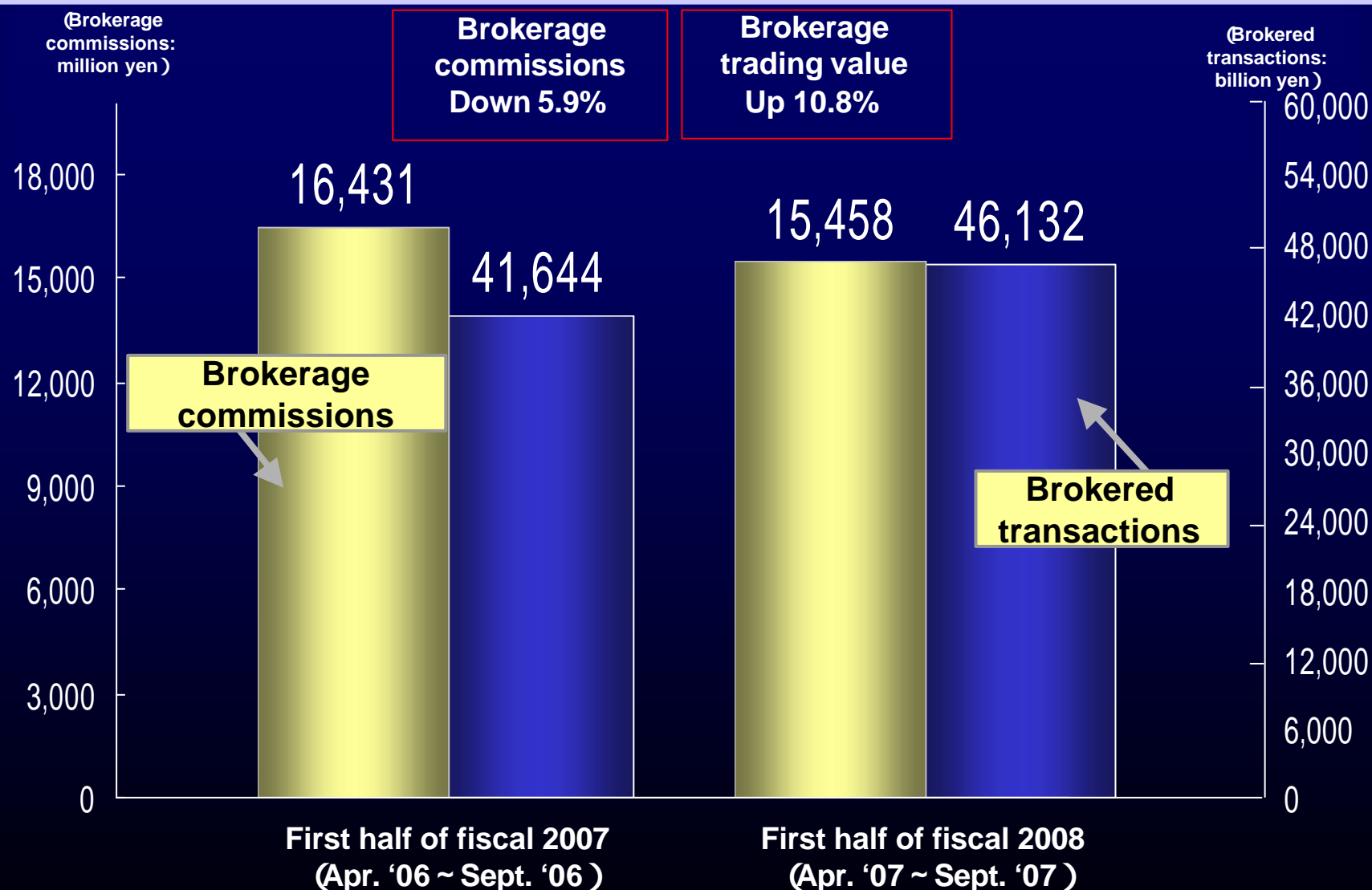
- Higher transaction-related expenses due in part to investment trust “cash back” campaign, but clerical expenses declined.

(6) Consolidated subsidiaries

- Benefiting in part from favorable market conditions, E*TRADE Korea Co., Ltd. posted 68.5% growth in operating revenues and a 108.4% increase in net income.

First half highlights

① Consolidated Brokerage Commissions



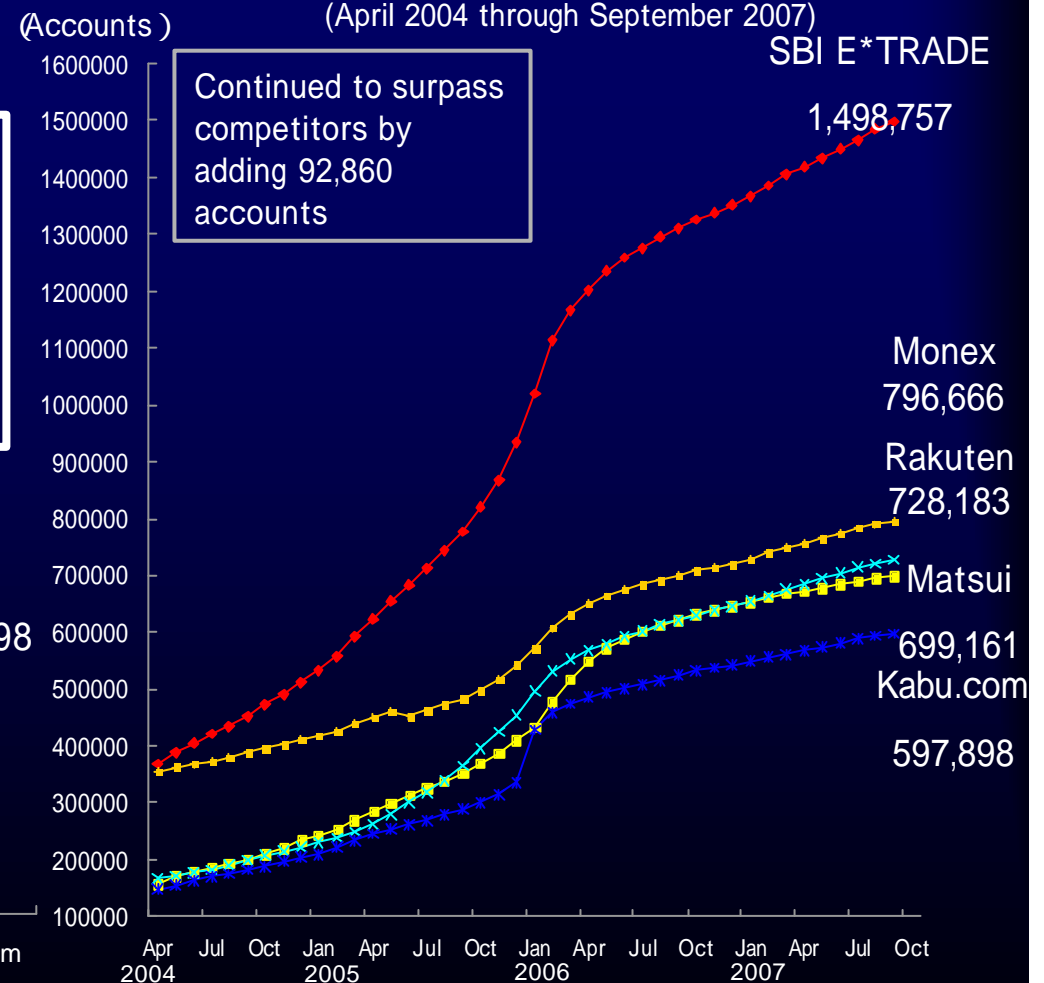
① Brokerage Commissions

Customer accounts at major online securities companies

Customer accounts at big five online securities companies
(September 30, 2007)



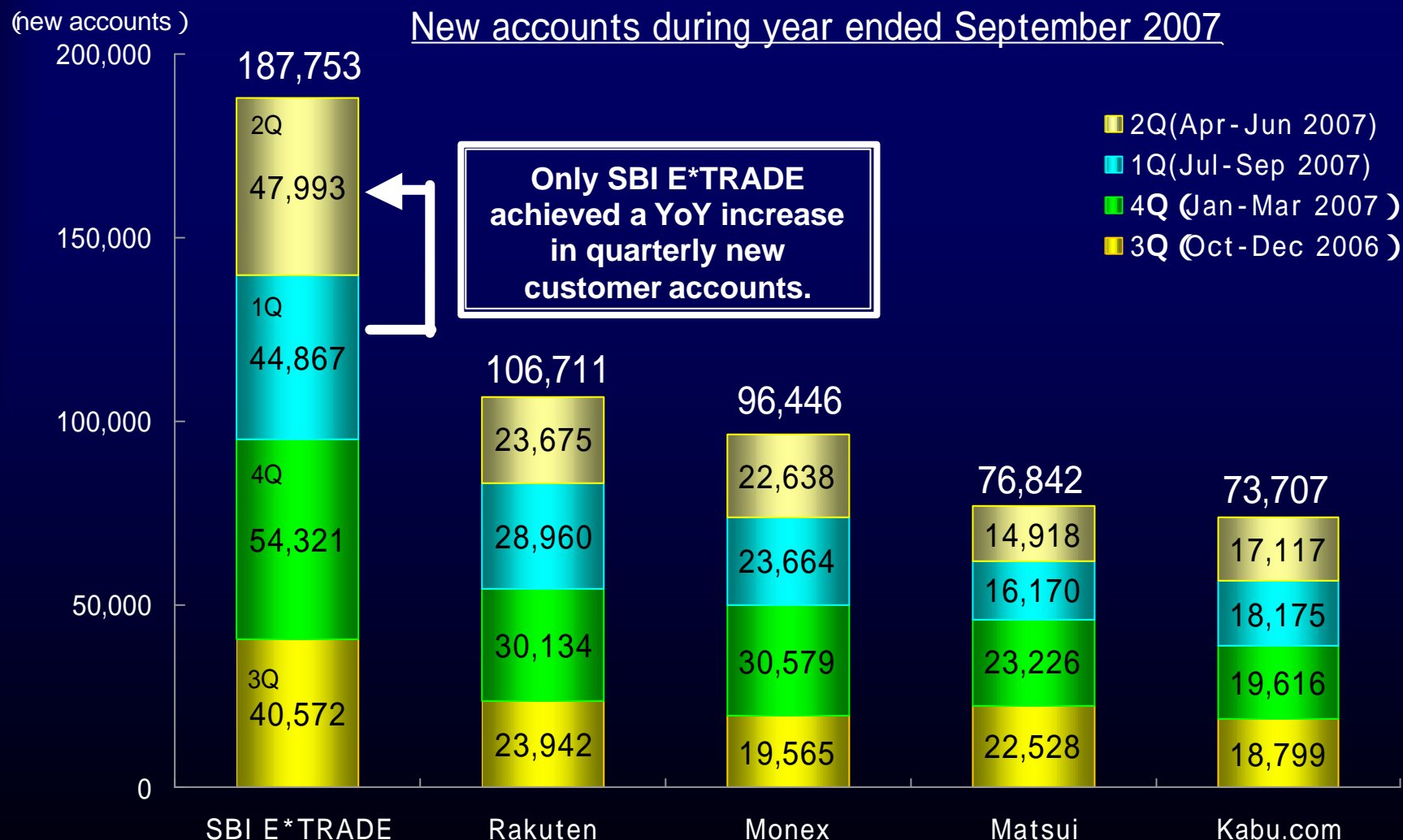
Growth in customer accounts at big five online securities companies
(April 2004 through September 2007)



Source: Compiled by SBI E*TRADE SECURITIES based on Web sites and other public information for each company
*Monex is the sum of Nikko Beans and Monex. Kabu.com merged with MeNet in January 2006.

① Brokerage Commissions

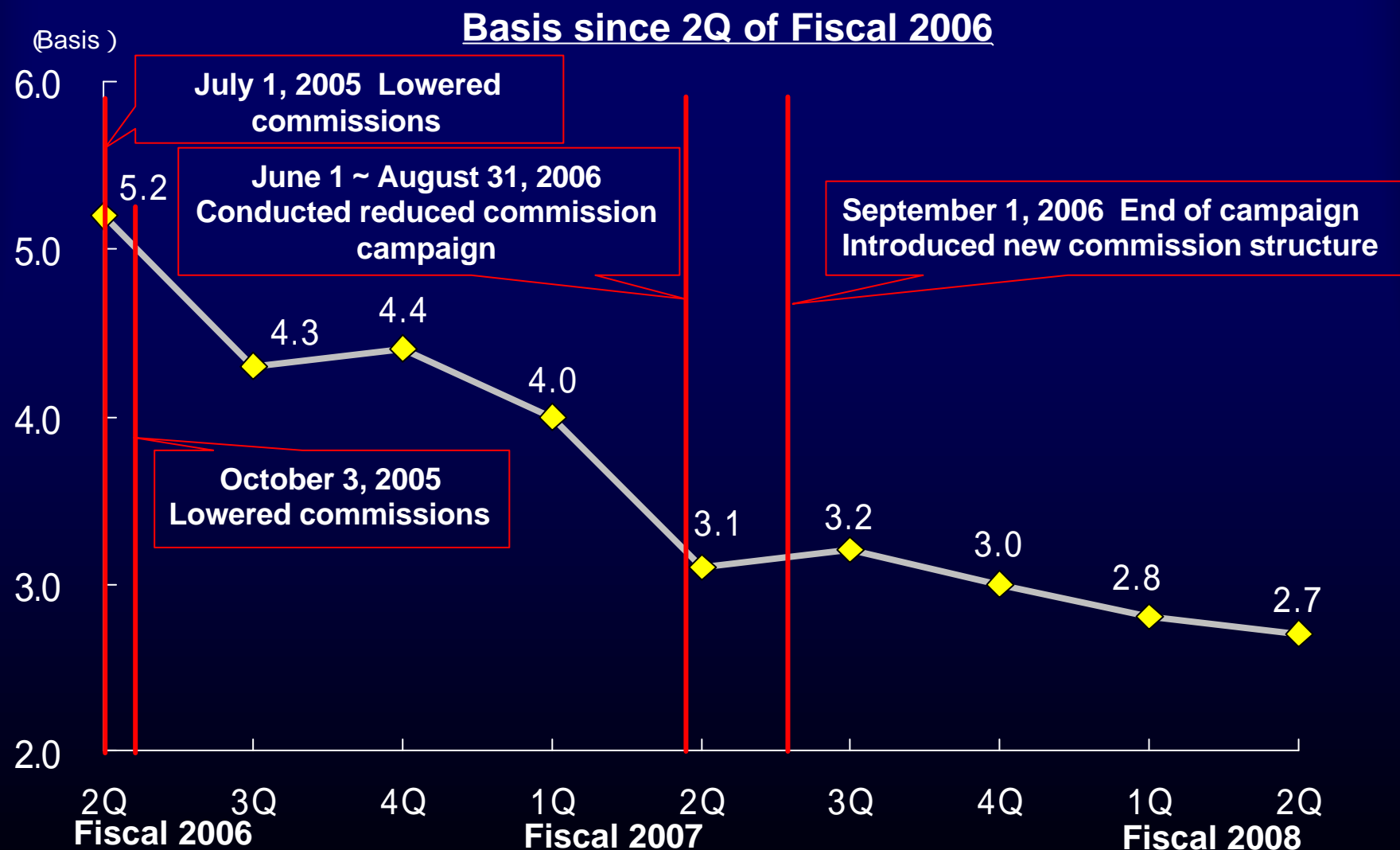
New accounts at major online securities companies



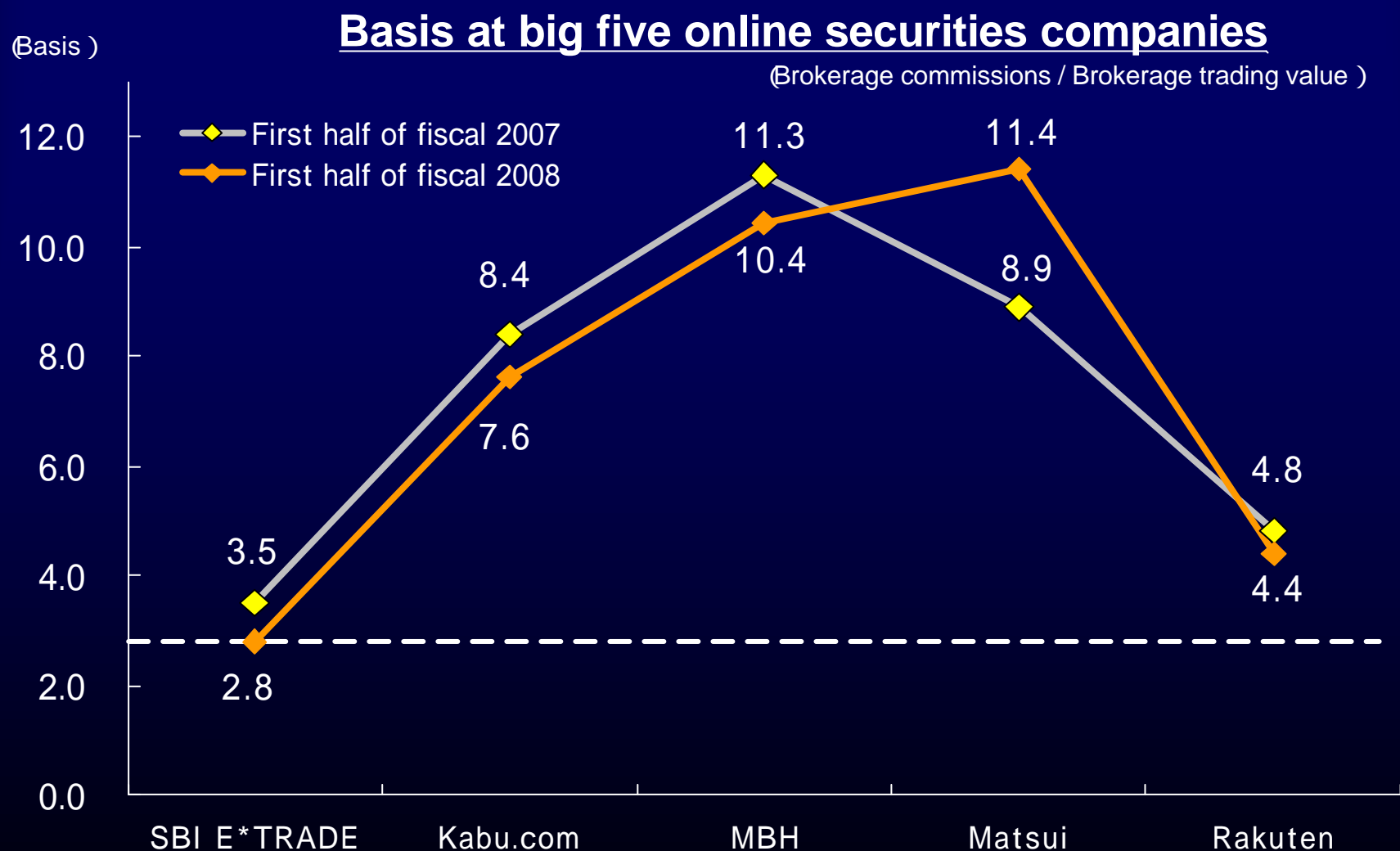
Source: Compiled by SBI E*TRADE SECURITIES based on Web sites and other public information for each company

(1) Brokerage Commissions

Change in SBI E*TRADE basis



Note: Quarterly index calculated by dividing non-consolidated brokerage commissions by brokered trades, using brokerage commissions as shown in the kessan tanshin.

(1) Brokerage Commissions**Basis at major online securities companies**

Source: Compiled by SBI E*TRADE SECURITIES based on Web sites and other public information for each company
Cumulative figures for April through September. Brokerage commissions as shown in the non-consolidated kessan tanshin.

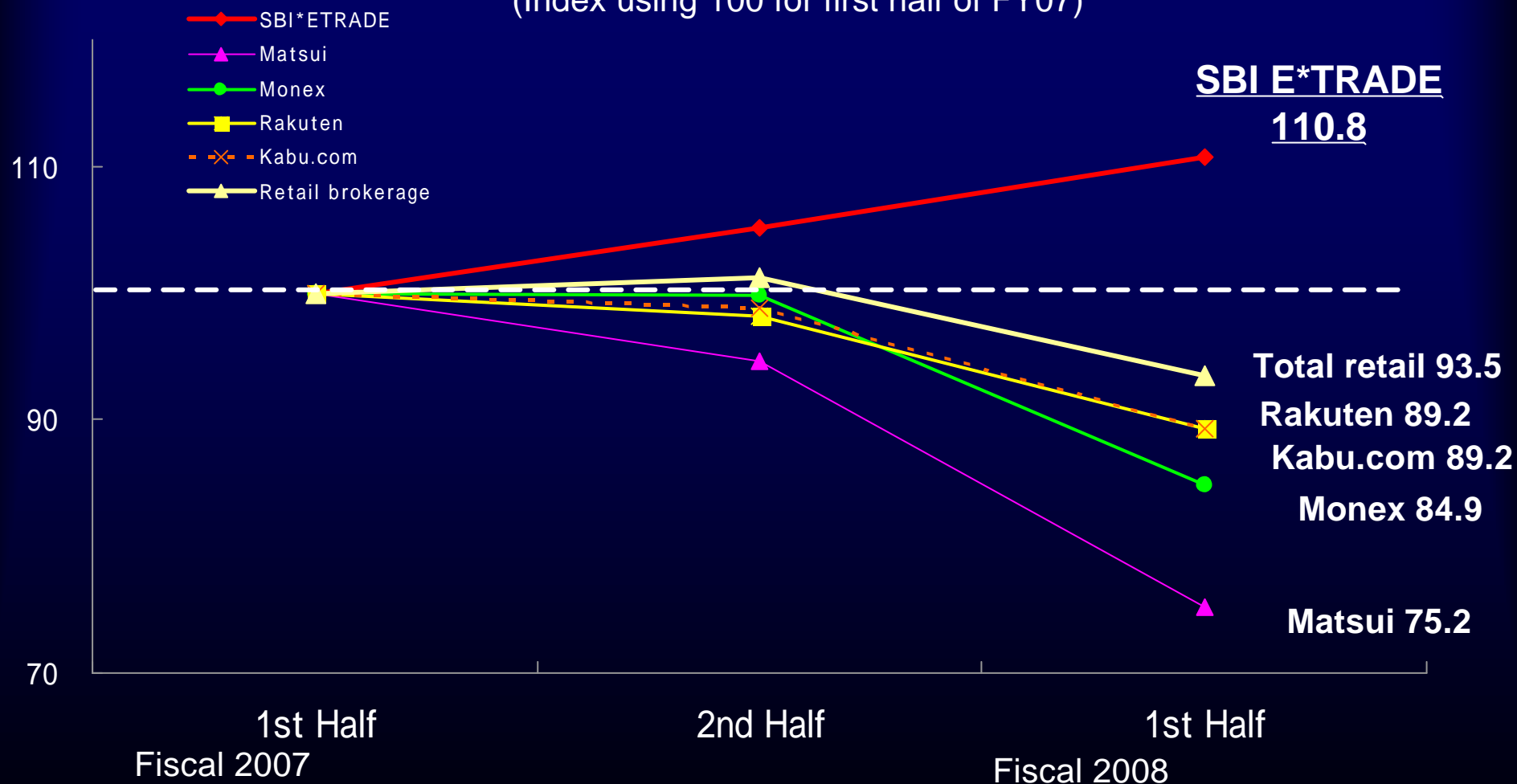
(1) Brokerage Commissions

Brokerage trading value at major online securities companies

Semiannual brokerage trading value index for big five online securities companies

(Index)

(Index using 100 for first half of FY07)

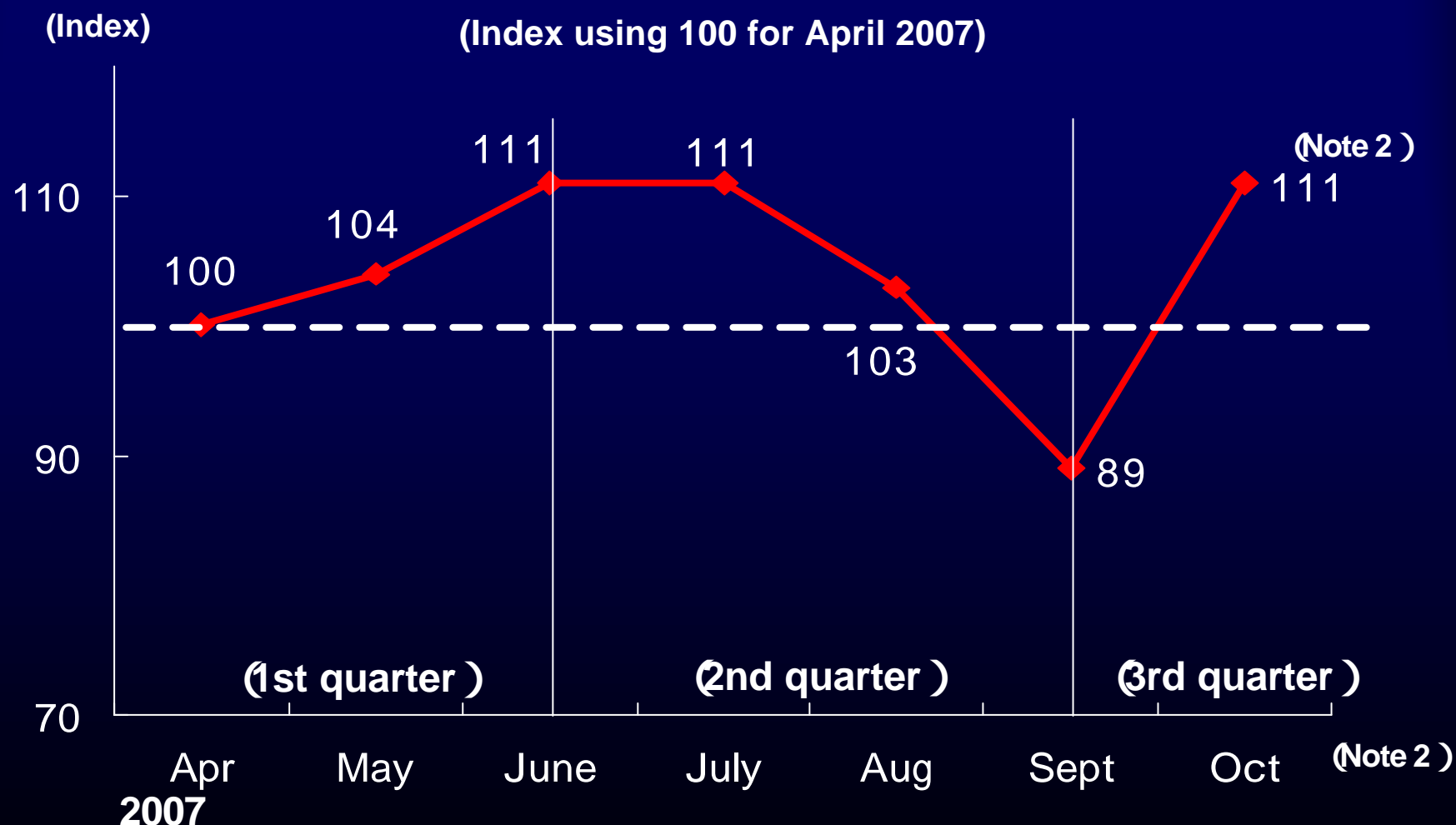


Source: Compiled by SBI E*TRADE SECURITIES based on Tokyo Stock Exchange and JASDAQ materials and Web sites and other public information for each company
 *Retail brokerage transactions are sum for Tokyo, Nagoya and Osaka exchanges and JASDAQ.

(1) Brokerage Commissions

Monthly brokerage trading value in fiscal 2008

Daily brokerage trading value from April to October 2007

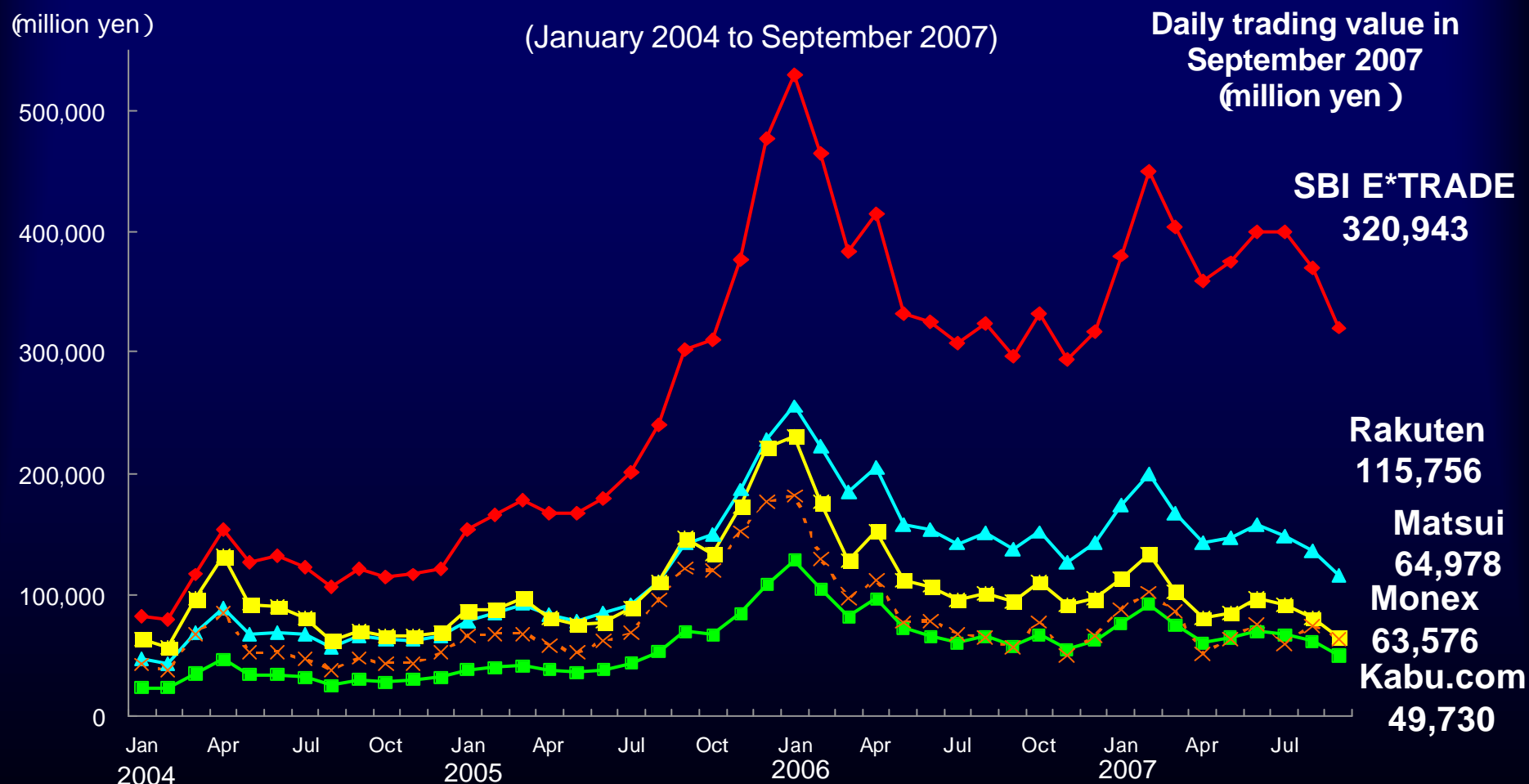


Notes: 1. Uses preliminary figures (based on trade dates).
2. October data is as of October 26.

(1) Brokerage Commissions

Brokerage trading value at major online securities companies

Average daily trading value at big five online securities companies



Source: Compiled by SBI E*TRADE SECURITIES based on Tokyo Stock Exchange and JASDAQ materials and Web sites and other public information for each company. Monex is the sum of Nikko Beans and Monex. Kabu.com merged with MeNet in January 2006.

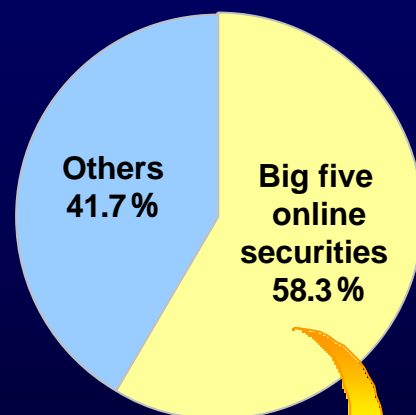
(1) Brokerage Commissions

Share of retail brokerage trading value at major online securities companies

SBI E*TRADE first half exceeds the combined share of the other four companies.

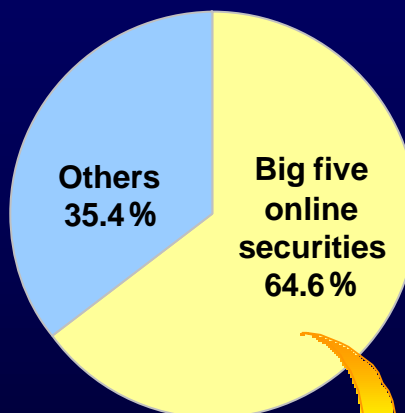
Change in share of retail brokerage trading value

First half of fiscal 2006
(April ~ Sept. '05)



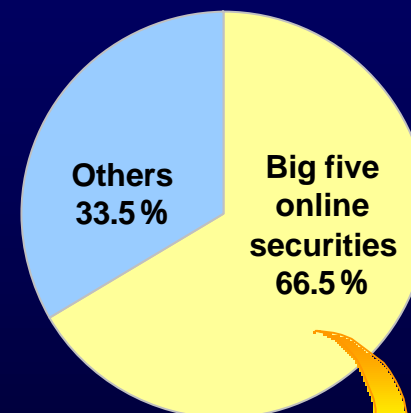
SBI E*TRADE	23.2 %
Rakuten	10.9
Matsui	10.7
Monex	8.5
Kabu.com	5.1

First half of fiscal 2007
(April ~ Sept. '06)



SBI E*TRADE	28.8 %
Rakuten	13.7
Matsui	9.5
Monex	6.6
Kabu.com	6.0

First half of fiscal 2008
(April ~ Sept. '07)



SBI E*TRADE	34.1 %
Rakuten	13.0
Matsui	7.7
Monex	6.0
Kabu.com	5.7

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

*Retail stock brokerage transactions are sum for Tokyo, Nagoya and Osaka exchanges and JASDAQ.

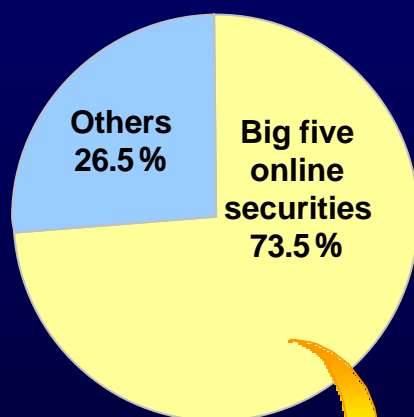
Monex is the sum of Nikko Beans and Monex. Kabu.com merged with MeNet in January 2006.

(1) Brokerage Commissions

Share of retail margin trading value at major online securities companies

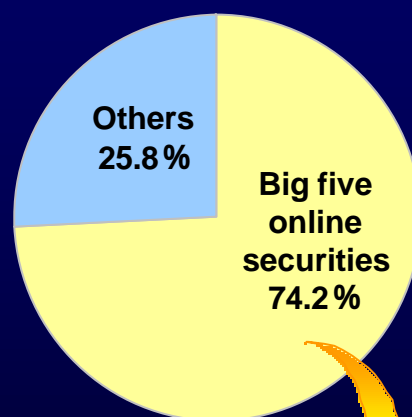
Change in share of retail margin trading value

First half of fiscal 2006
(April ~ Sept. '05)



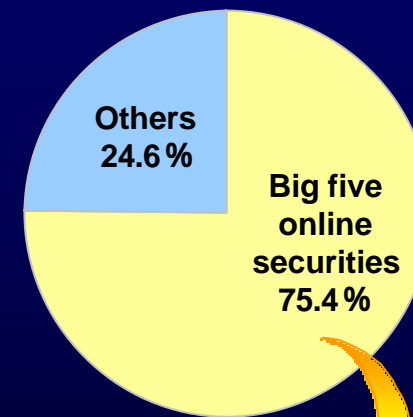
SBI E*TRADE	28.8%
Matsui	15.7
Rakuten	12.6
Monex	9.5
Kabu.com	7.0

First half of fiscal 2007
(April ~ Sept. '06)



SBI E*TRADE	33.9%
Rakuten	14.7
Matsui	12.1
Kabu.com	7.3
Monex	6.2

First half of fiscal 2008
(April ~ Sept. '07)



SBI E*TRADE	38.8%
Rakuten	15.2
Matsui	9.1
Kabu.com	6.6
Monex	5.8

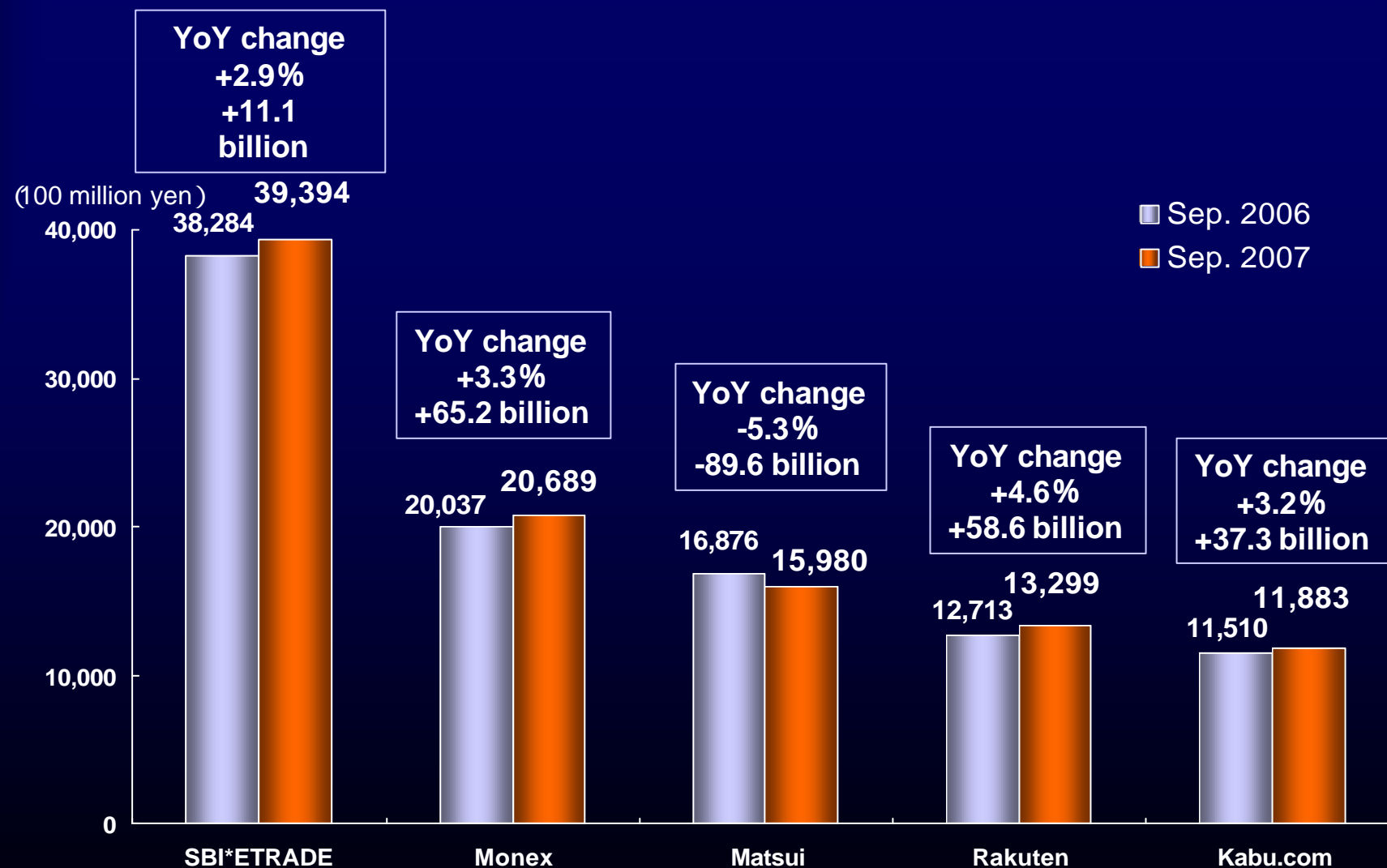
Source: Compiled by SBI E*TRADE SECURITIES based on Tokyo Stock Exchange and JASDAQ materials and Web sites and other public information for each company

*Retail stock brokerage transactions are sum for Tokyo, Nagoya and Osaka 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

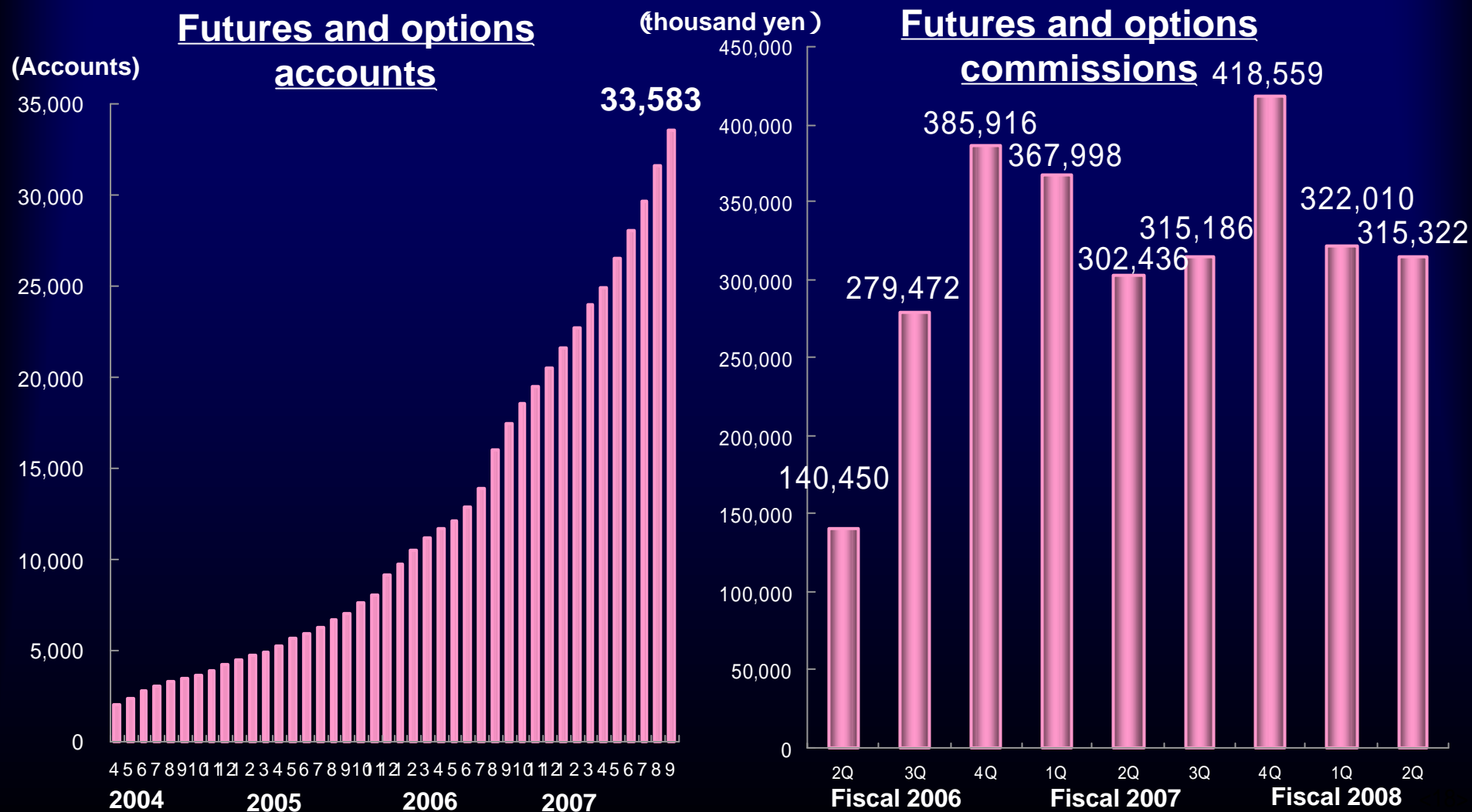


Source: Compiled by SBI E*TRADE SECURITIES based on Web sites and other public information for each company

(1) Brokerage Commissions

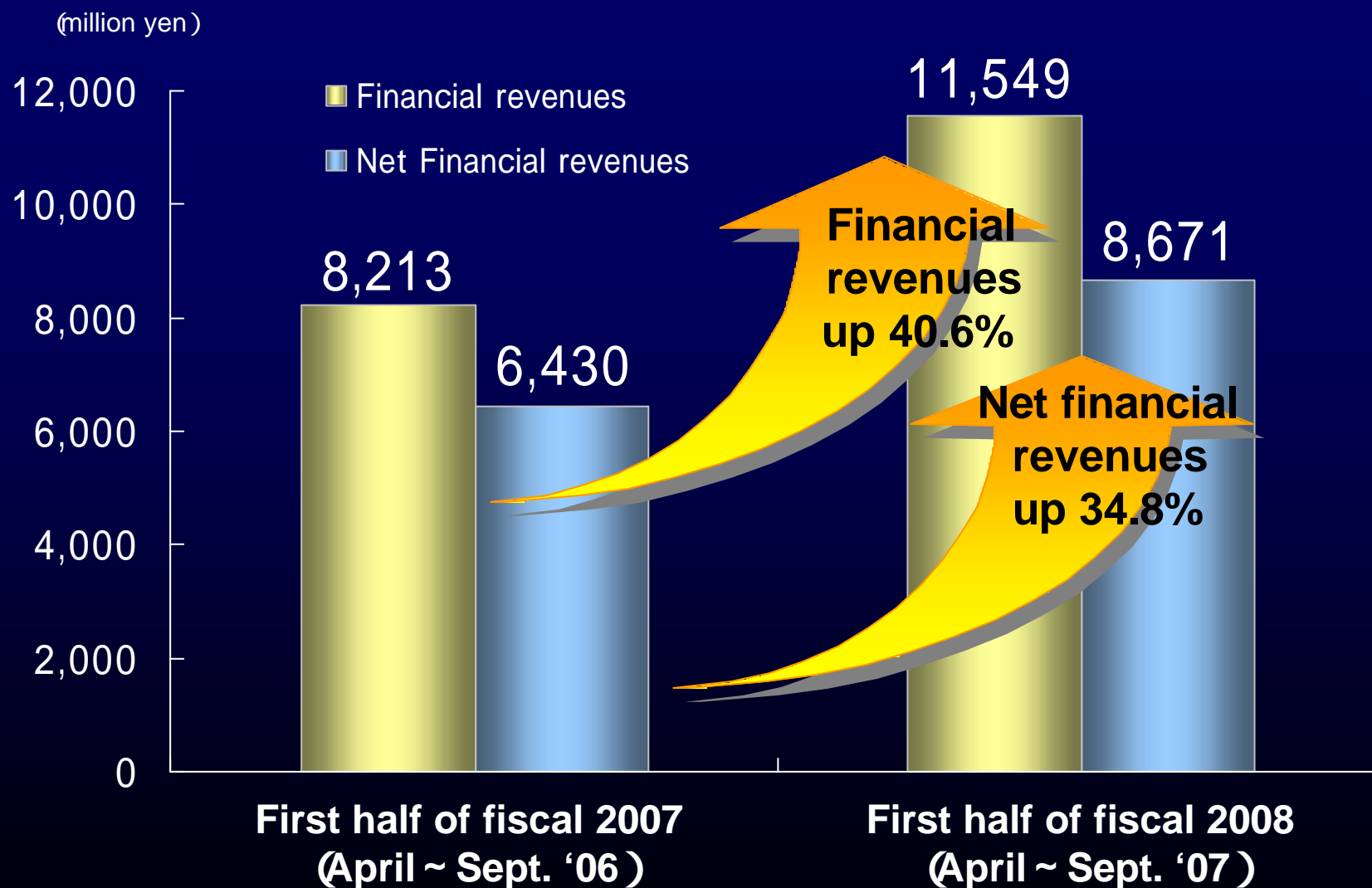
Growth in futures and options transactions

Now conducting reduced commission campaign for mini-Nikkei-225 futures



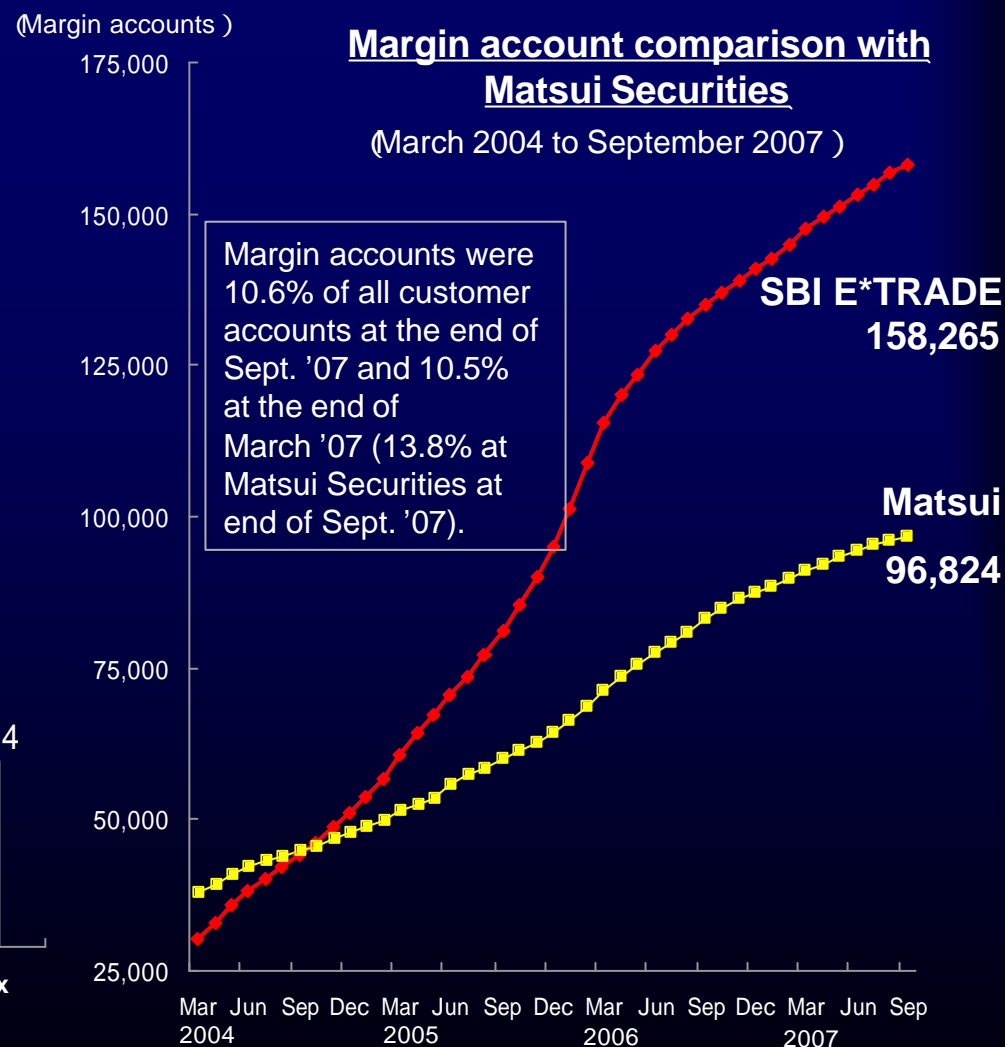
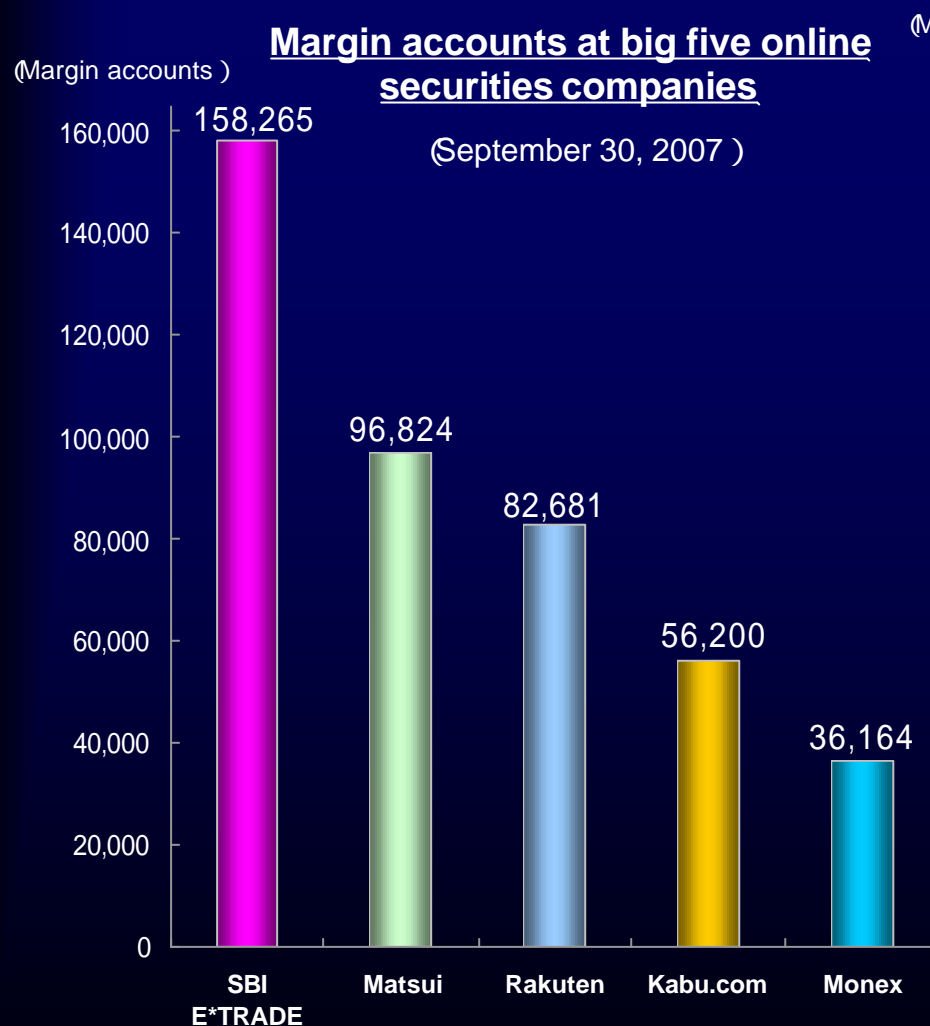
First half highlights

(2) Consolidated financial revenues



2) Financial revenues

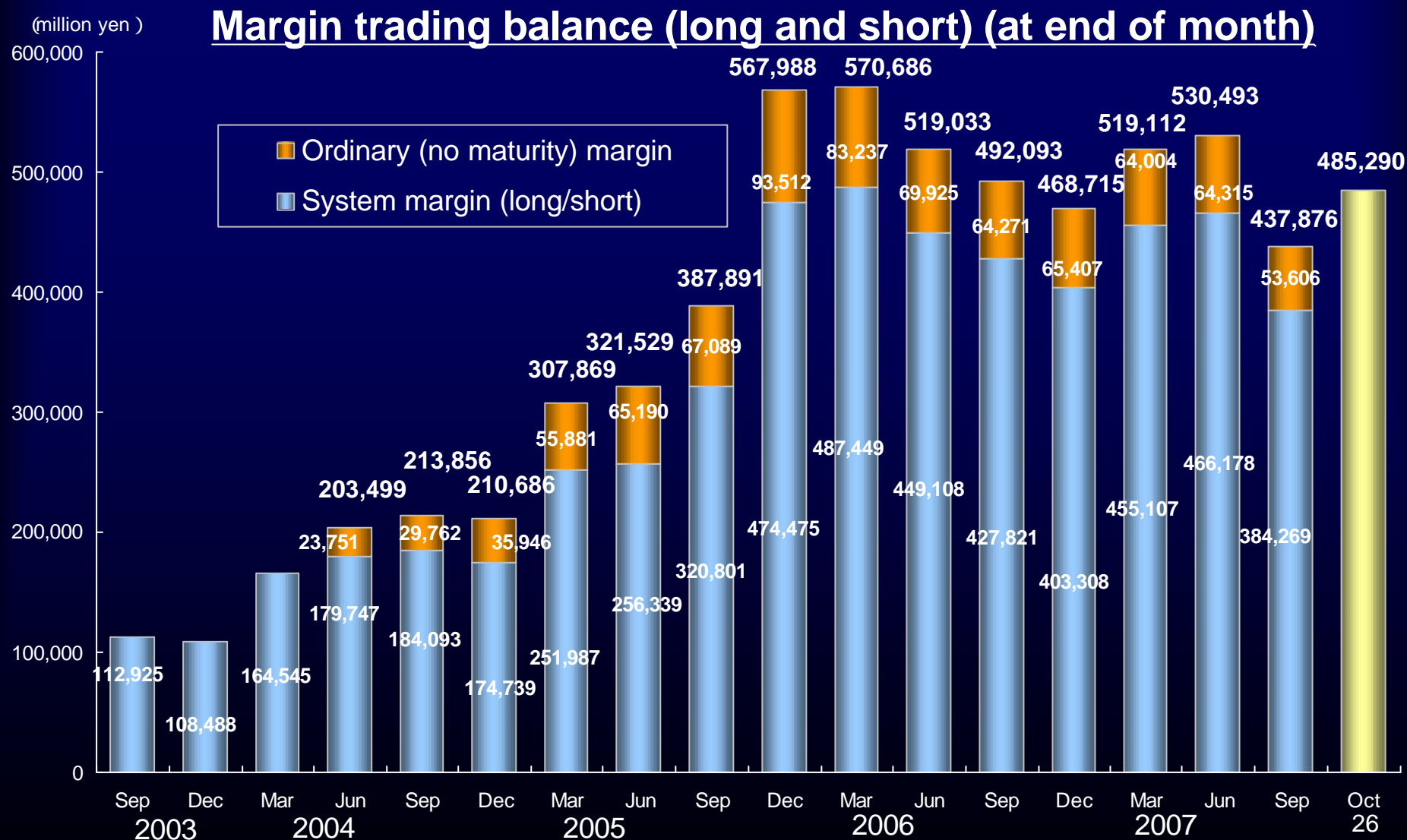
Margin accounts at major online securities companies



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

② Financial revenues

Margin trading balance

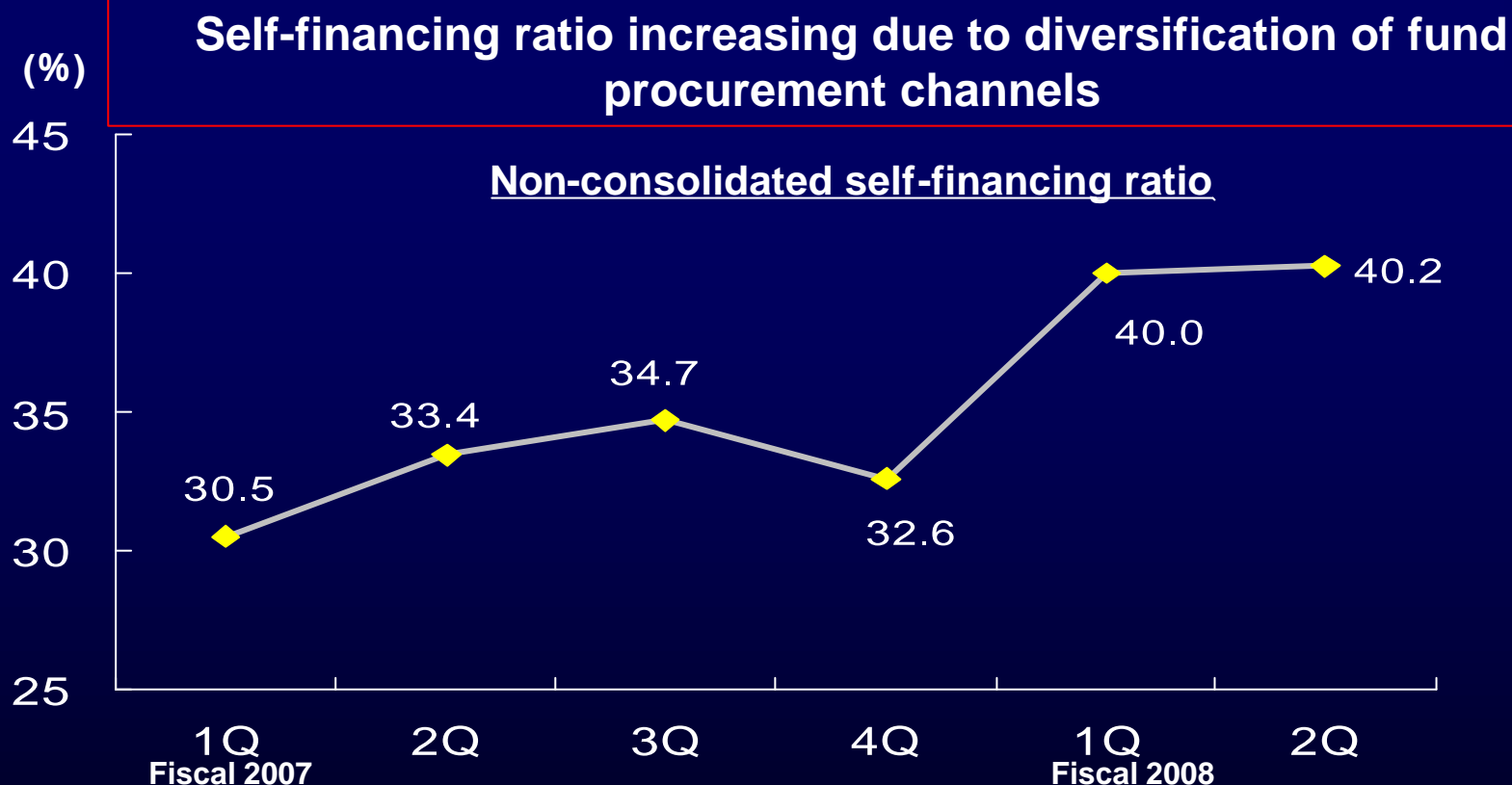


Notes: 1. Based on settlement date. SBI E*TRADE SECURITIES figures are non-consolidated.

2. Trade date basis for October 26. Includes transactions at former SBI Securities.

② Financial revenues

Growth in self-financing for margin trades



< More productive use of assets >

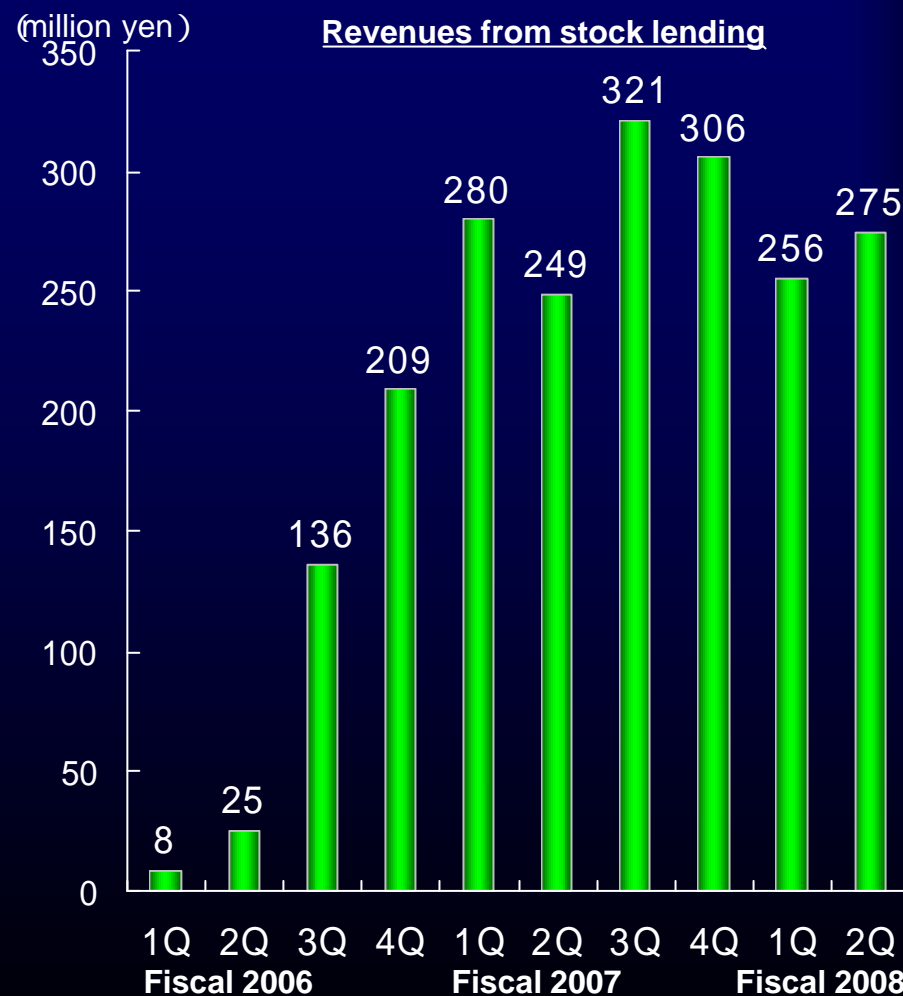
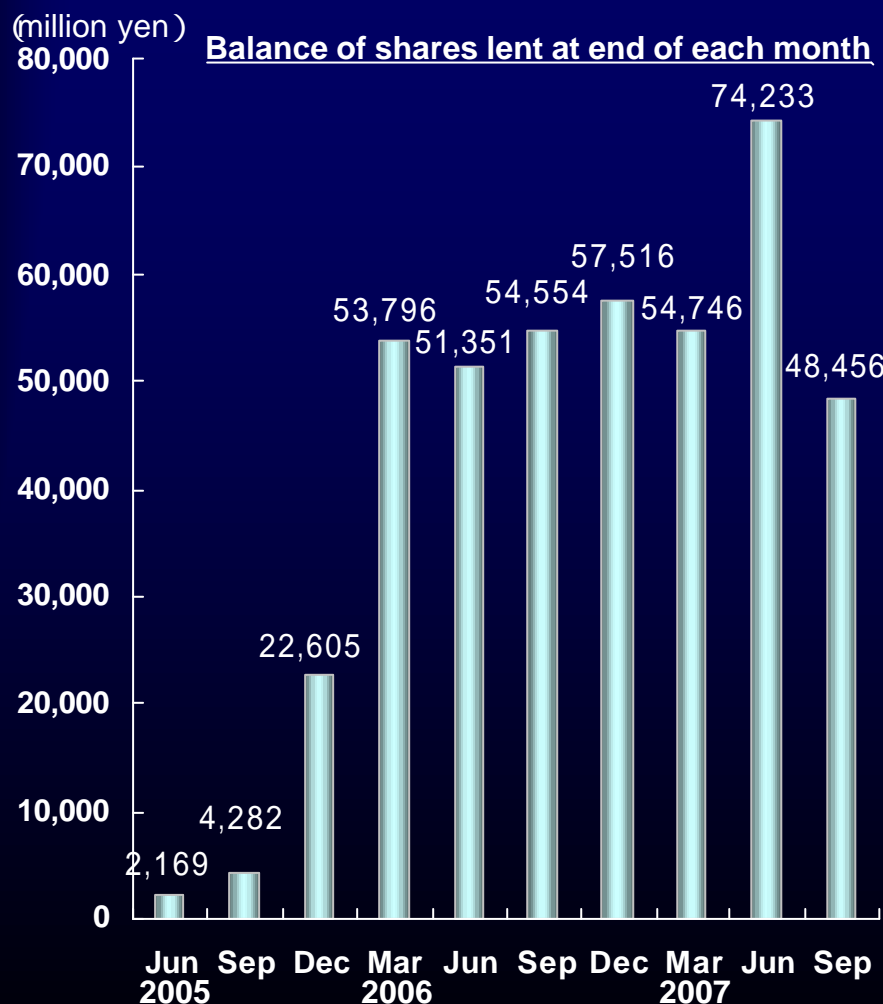
- Making efficient use of internal funds by funding loans for margin trades
- Focusing on fund procurement on the call market
- Strong performance by stock lending operations using stock certificates submitted as collateral for self-financing

More rigorous cash management produced a big improvement in net financial revenues

② Financial revenues

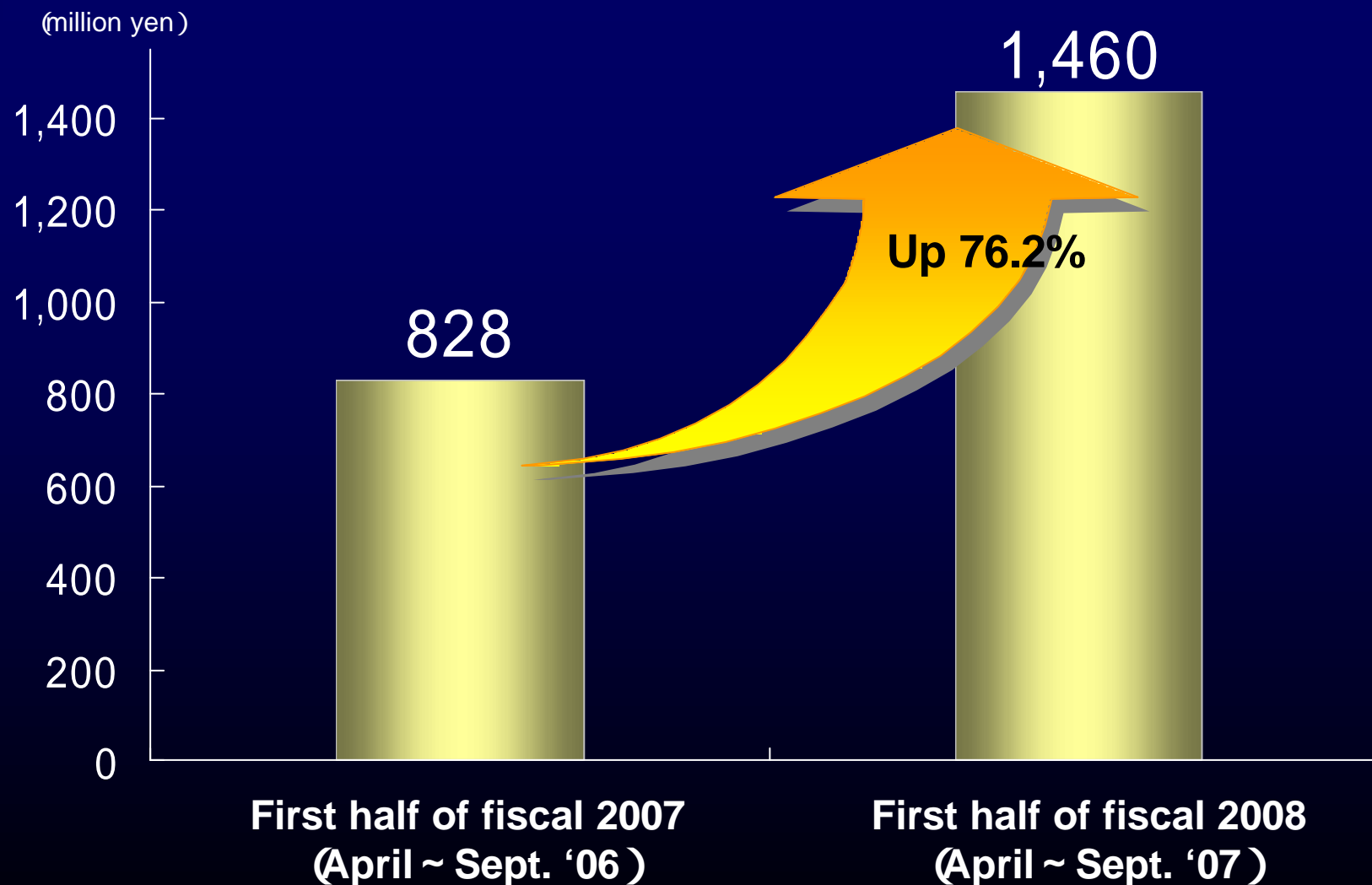
Growth in revenues from stock lending

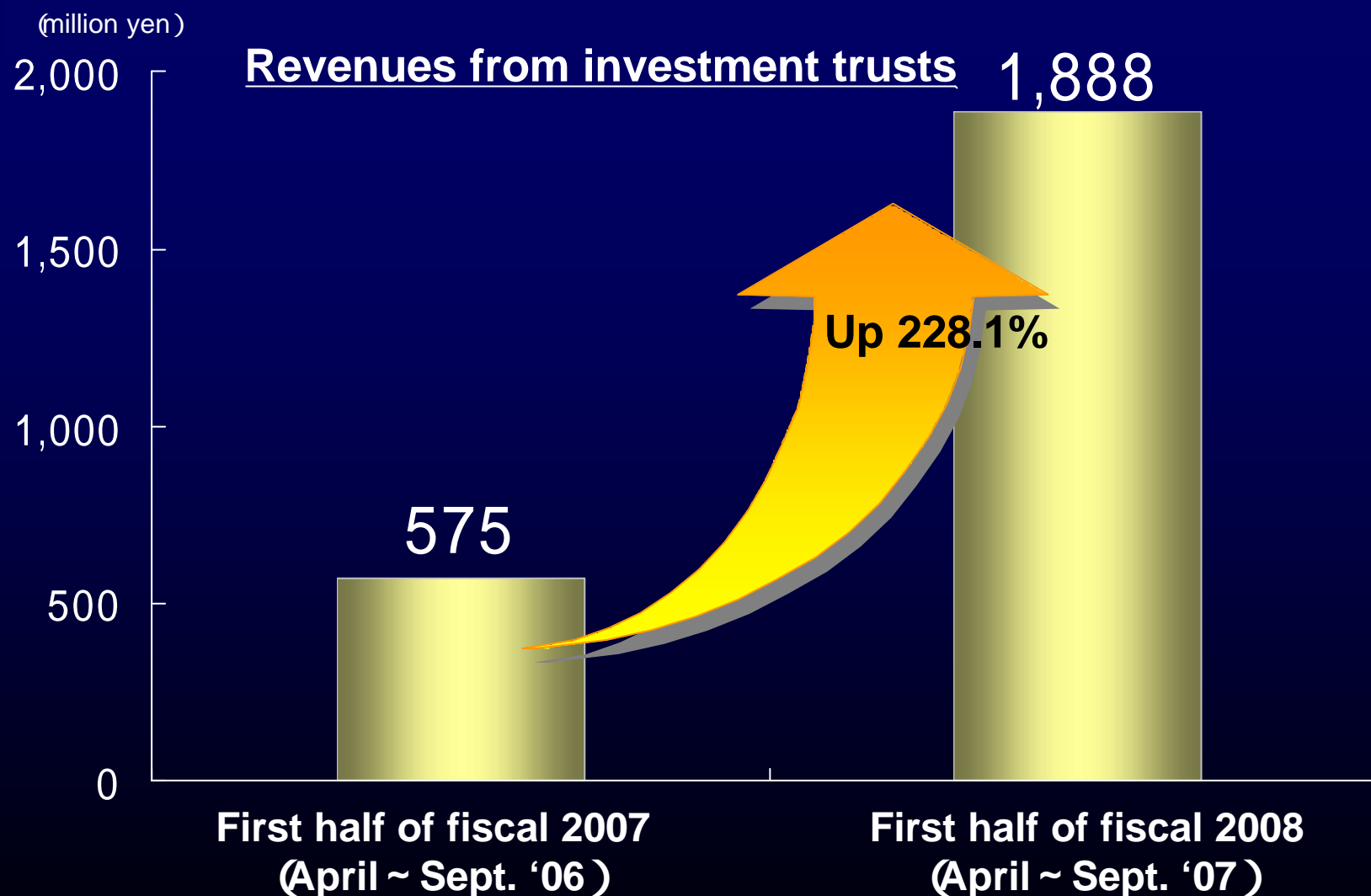
Steady growth in revenues continued even though the balance declined due to market conditions. SBI E*TRADE heightened its stature in the stock lending market.



First half highlights

(3) Consolidated underwriting, offering and selling commissions



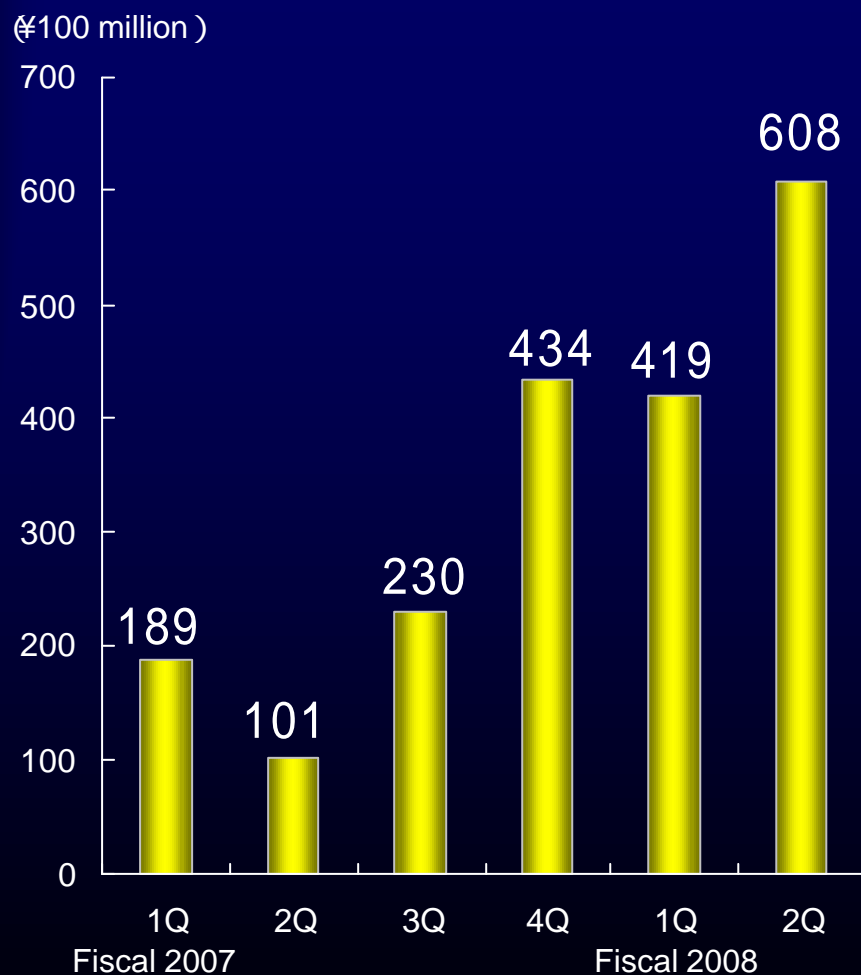
(3) Underwriting, offering and selling commissions**Measures to increase investment trust revenues and results**

Notes: 1. Sum of selling commissions and trust fees (trust fees include MRF)
2. Trust fees are included in "other commissions received."

(3) Underwriting, offering and selling commissions

Investment trust sales and major initiatives

Investment trust sales



*Includes MMF and medium-term gov't bond fund.

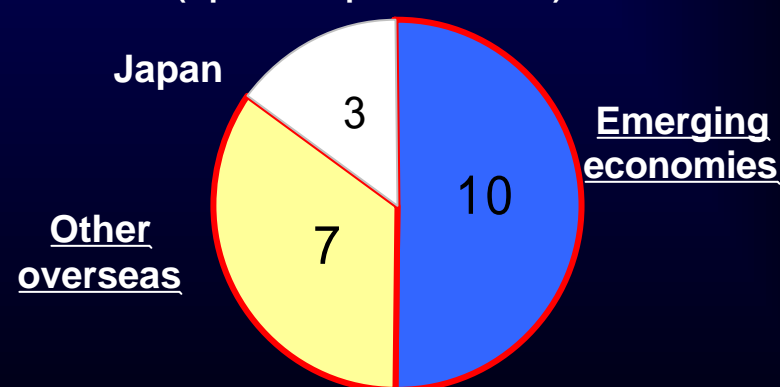
SBI India & Vietnam Stock Fund (Sales from June 29 to July 18, 2007)



Invests in stocks of companies
in India and Vietnam

Fund sales by SBI E*TRADE
Achieved record sales of
¥15 billion

(reference) Investments of top 20 best-selling investment
trusts by amount
(April to Sept. 2007 sales)

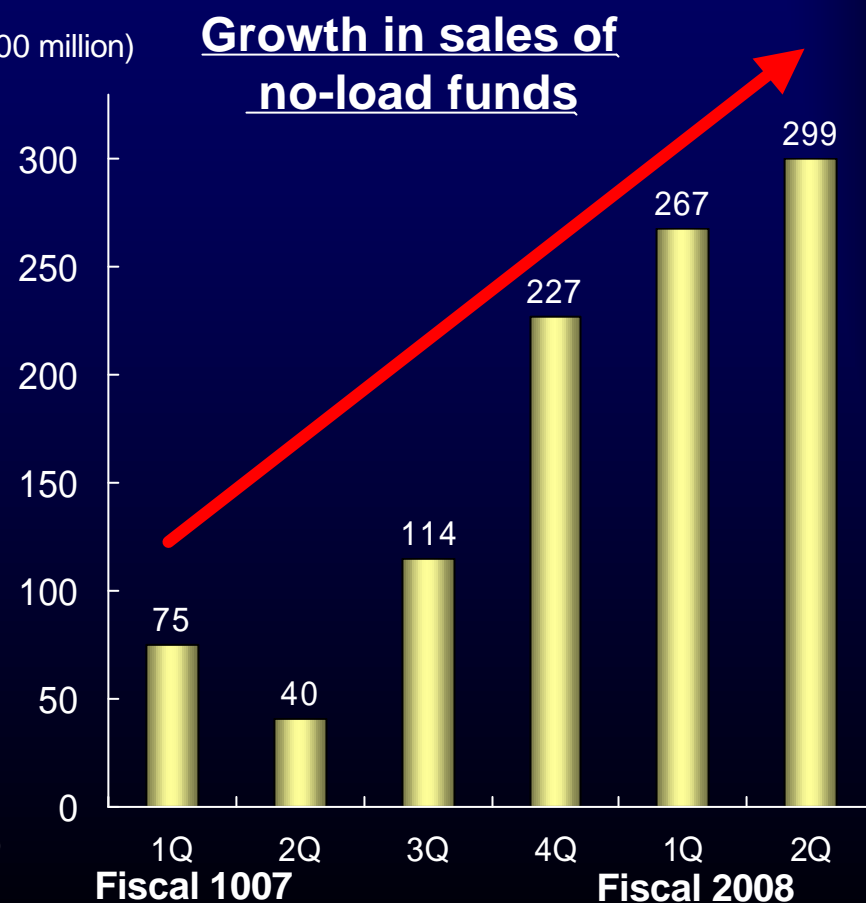
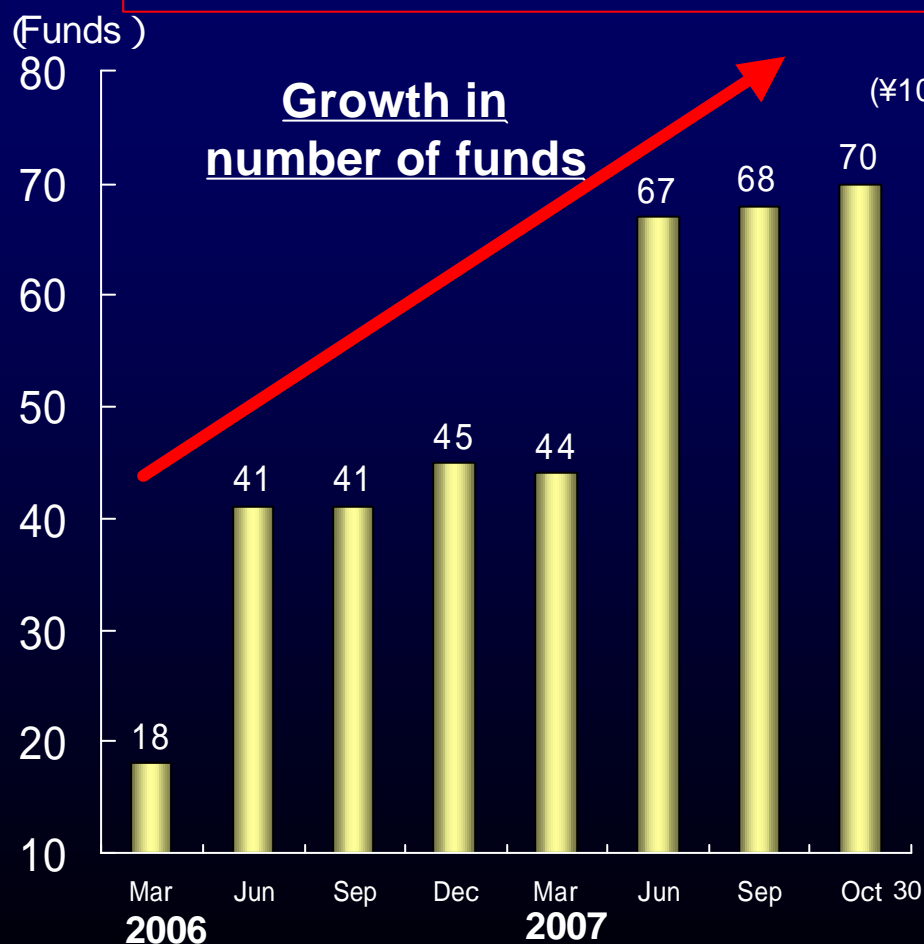


Of the top 20, 17 (85% of total) make investments outside Japan.
Of these 17, 10 (50% of total) target emerging economies.

(3) Underwriting, offering and selling commissions

Sales of no-load investment trusts

Significantly increased number of no-load funds during the first half
Sales up about 4.9 times year on year



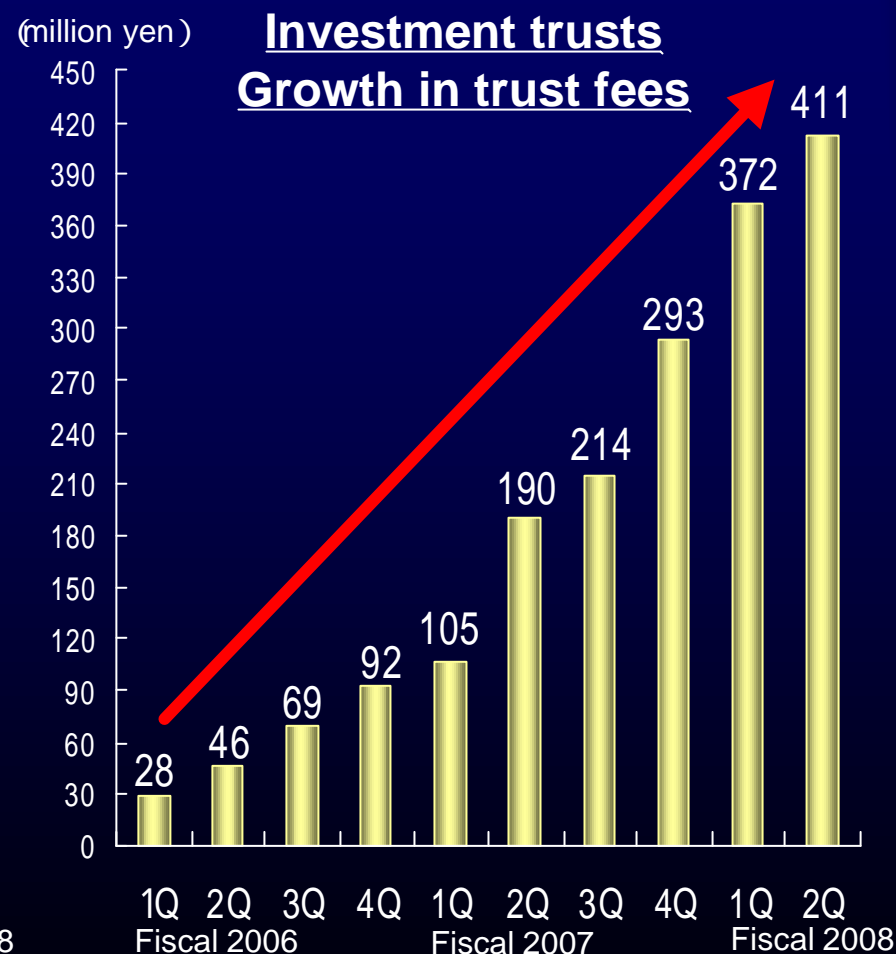
(3) Underwriting, offering and selling commissions

Growth in investment trust assets and trust fees

Steady growth in trust fees due to further increase in fund assets



*Includes MMF and medium-term gov't bond fund.



*Includes MMF, MRF and medium-term gov't bond fund.

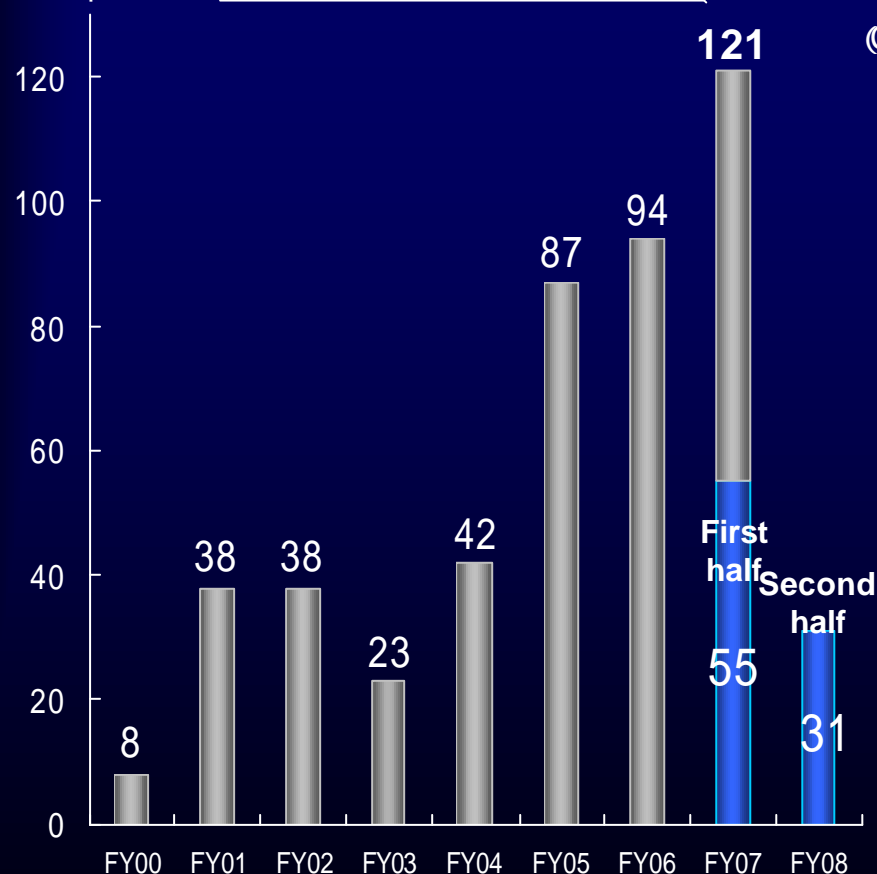
*Trust fees are included in "other commissions received."

(3) Underwriting, offering and selling commissions

IPO Underwriting

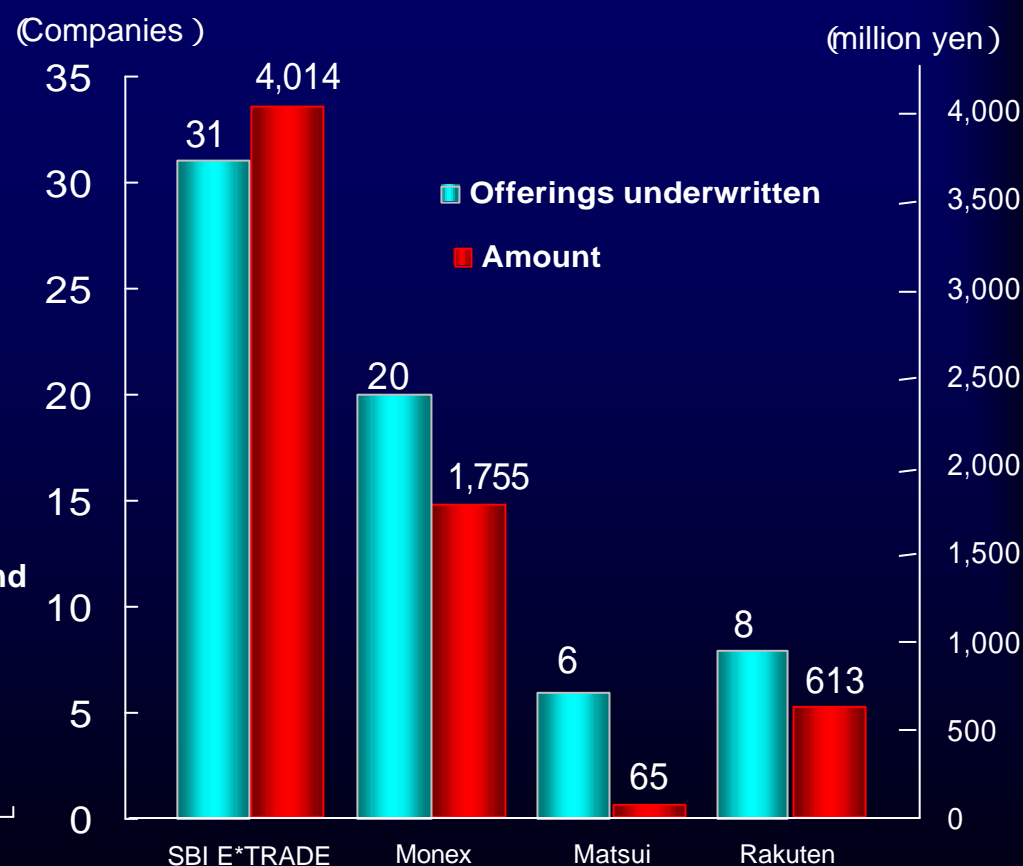
SBI E*TRADE SECURITIES

(Companies) IPO issues underwritten



Big four online securities companies

FY08 first half IPO issues underwritten/amount

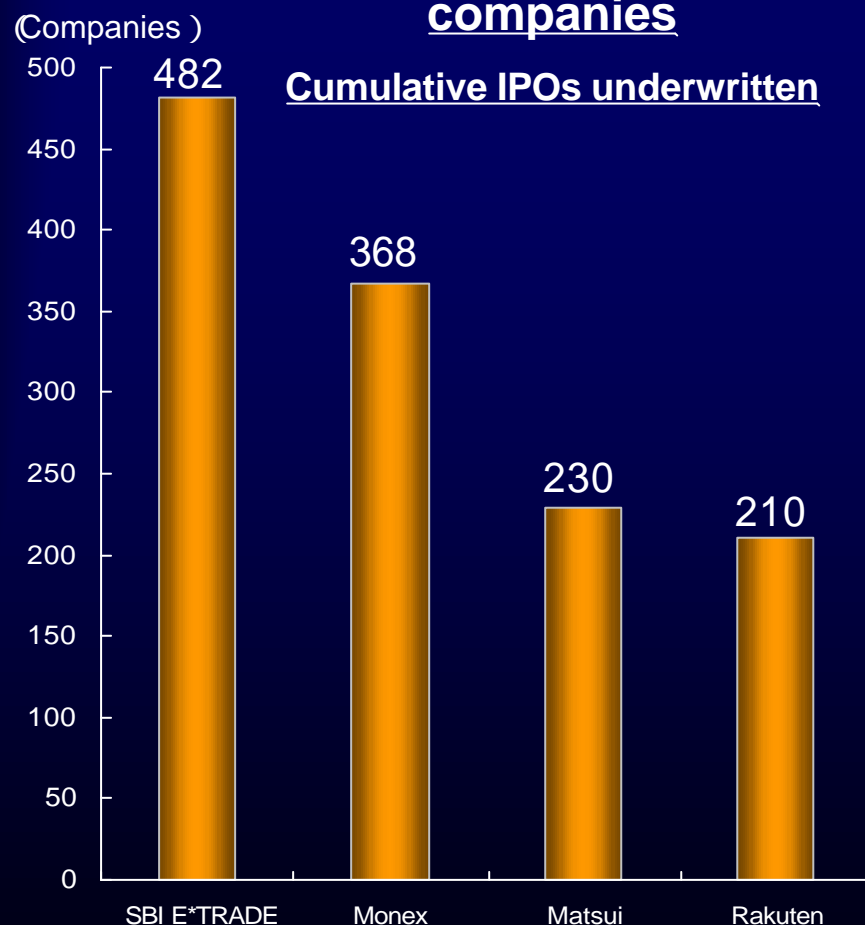


*Includes over-allotments. Excludes brokerage sales. Based on listing date. Excludes brokerage sales and real estate investment trusts.

(3) Underwriting, offering and selling commissions

IPO Underwriting

Big four online securities companies



IPO underwriting ranking

(Apr. '07 ~ Sept. '07)

First among all securities companies

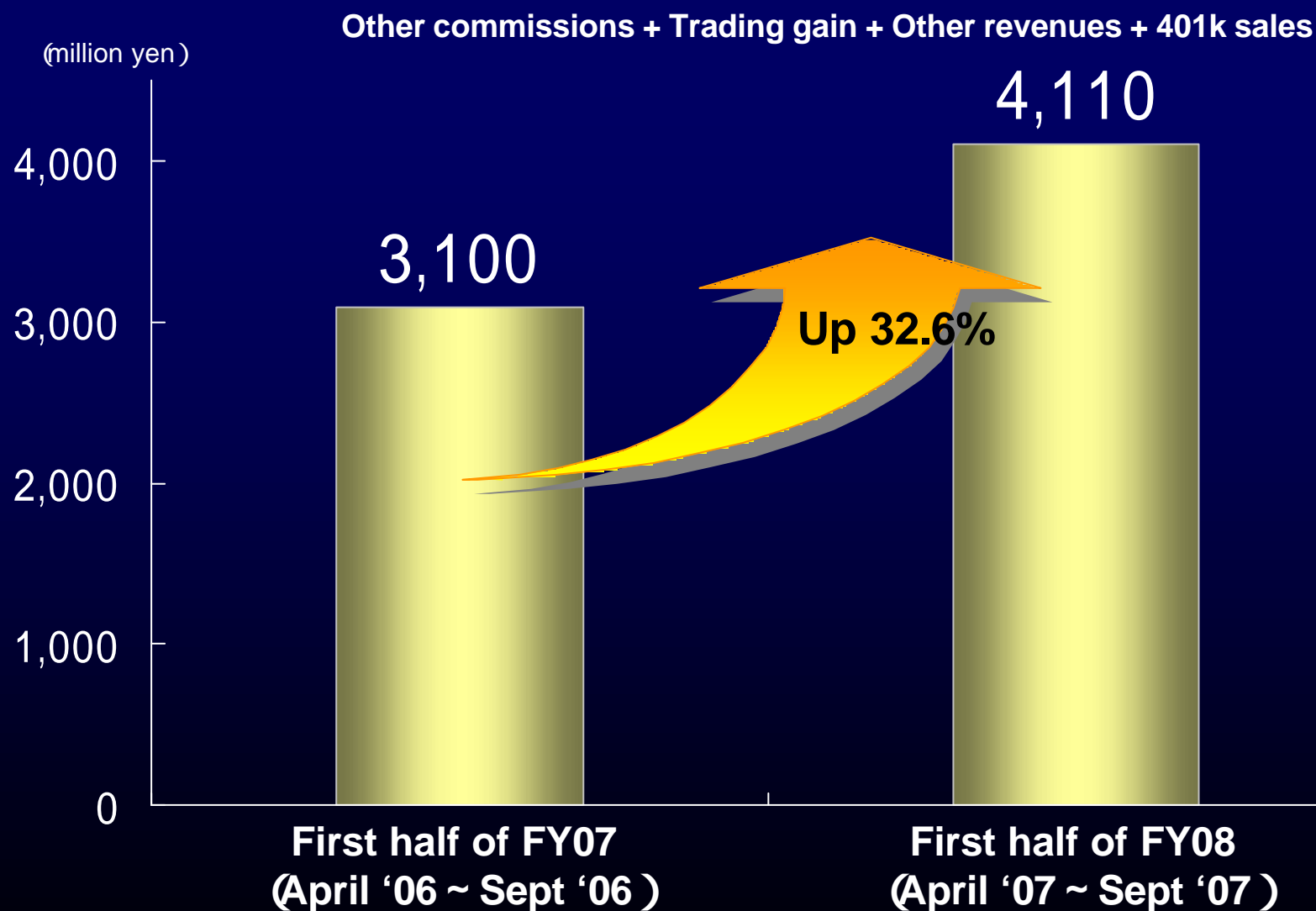
Ran king	Company	Issues under written	Participat ion ratio (%)
<u>1</u>	<u>SBI E*TRADE</u>	<u>31</u>	<u>62.0</u>
2	Nomura Securities	29	58.0
2	Shinko Securities	29	58.0
4	Daiwa SMBC	28	56.0
5	Mitsubishi UFJ Sec.	25	50.0
6	Okasan Securities	20	40.0
6	Monex Securities	20	40.0

Source: Compiled by SBI E*TRADE SECURITIES based on public information. Covers period from start of each company's online securities business to Sept. 2007 (based on listing date). Excludes brokerage sales and real estate investment trusts.

*Compiled by SBI E*TRADE SECURITIES based on public information and other available information. Covers underwriting in Japan (excluding over-allotment) for 50 IPOs from April through Sept. 2007 (based on listing date).

First half highlights

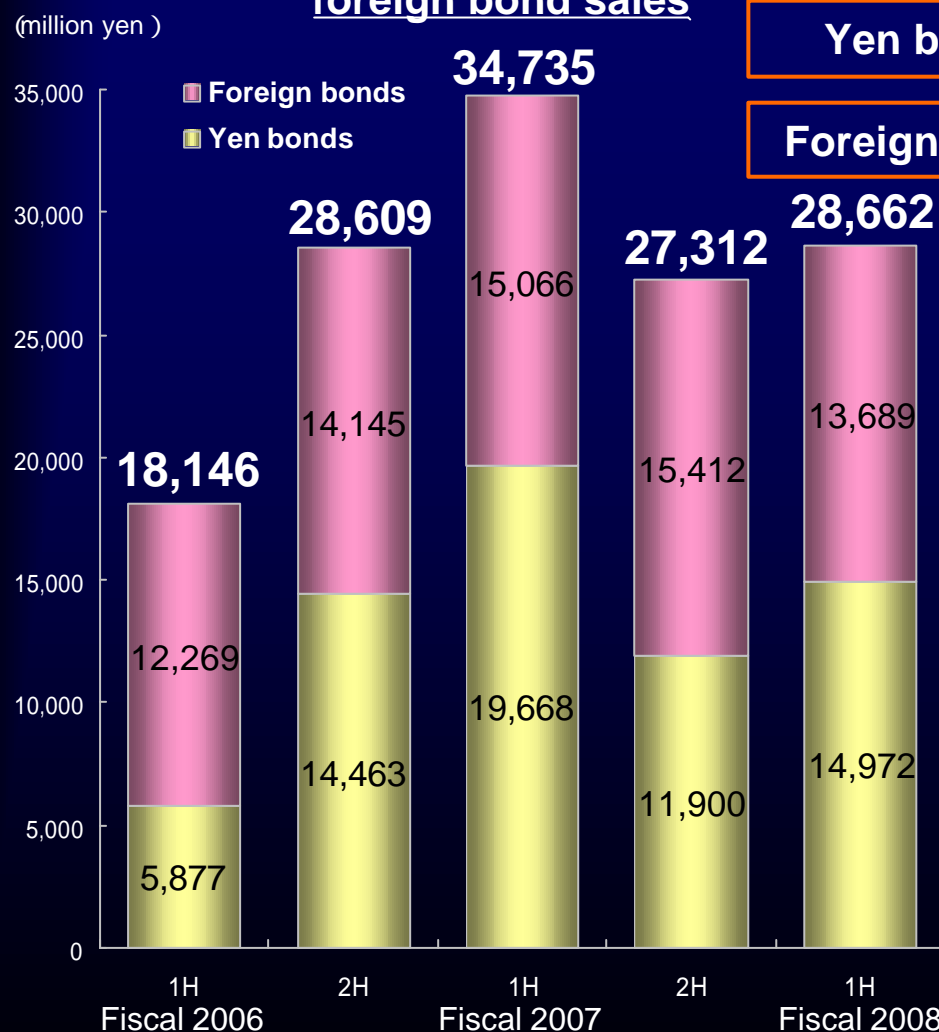
(4) Consolidated trading gain and other revenues



(4) Trading gain and other revenues

Bond sales

Government, corporate and foreign bond sales



Yen bonds

Sales of retail Japanese government bonds remain strong

Foreign bonds

Sales consistently strong, mainly for bonds with high ratings and monthly payments
(South African rand bonds, exchangeable bonds)

Japanese equities

Market downturn
Yen appreciation

Portfolio
diversification

Foreign bonds

High interest rate, high credit rating, monthly interest payments

Individual investors

Growth in
transactions

Individual investors

Offering many types of investments provides individual investors with a greater range of investment options in order to diversify risk. For example, there are sharp increases of foreign bond sales whenever there is a market downturn or the yen appreciates.

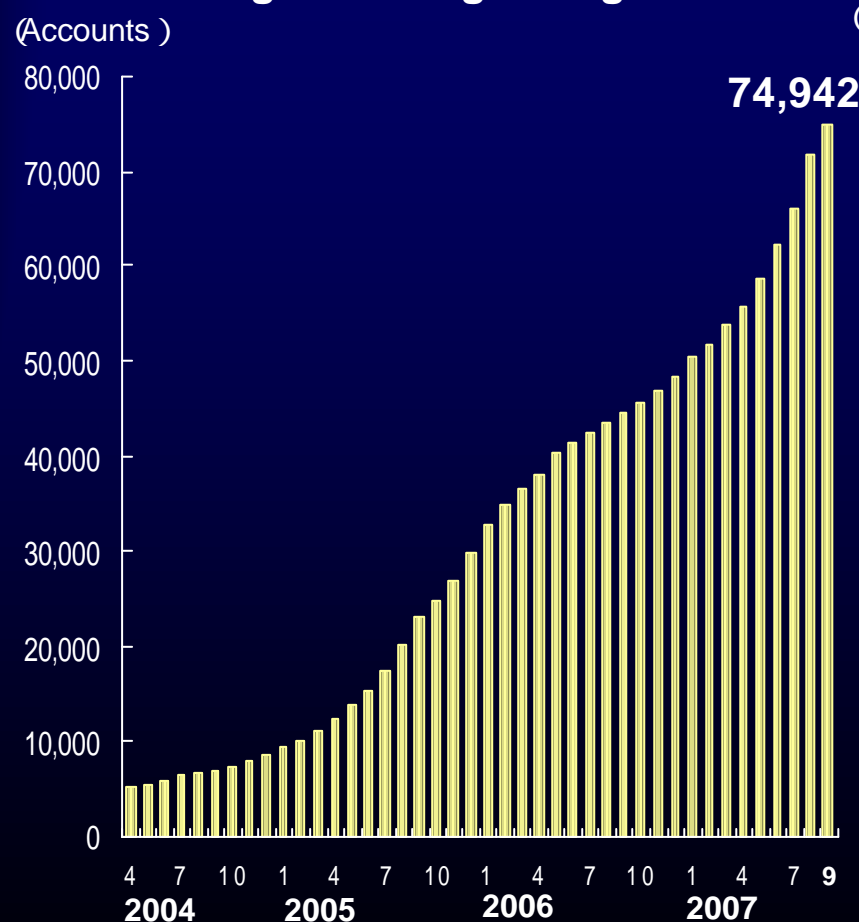
*Includes underwriting and selling commissions for retail JGB. Above figures include brokerage sales.

(4) Trading gain and other revenues

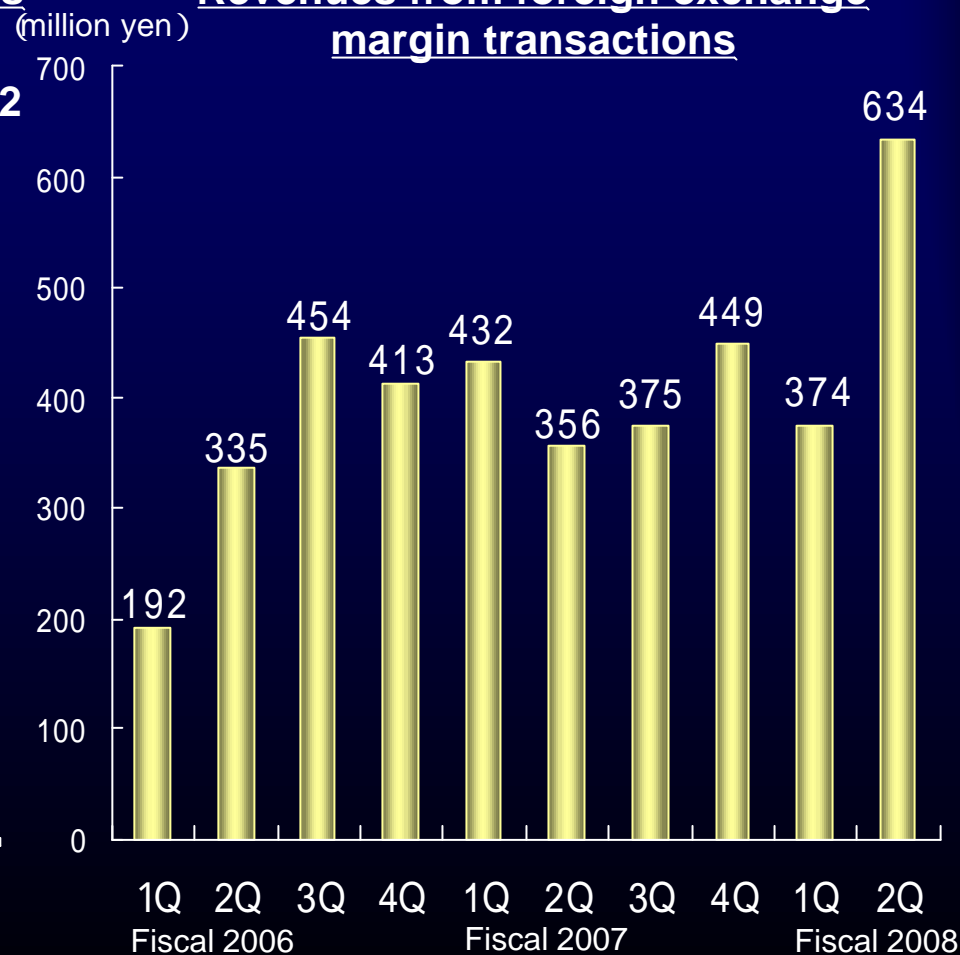
Growth in foreign exchange margin transactions

No-commission campaign in June. Reduced official commissions after the campaign.

Foreign exchange margin accounts

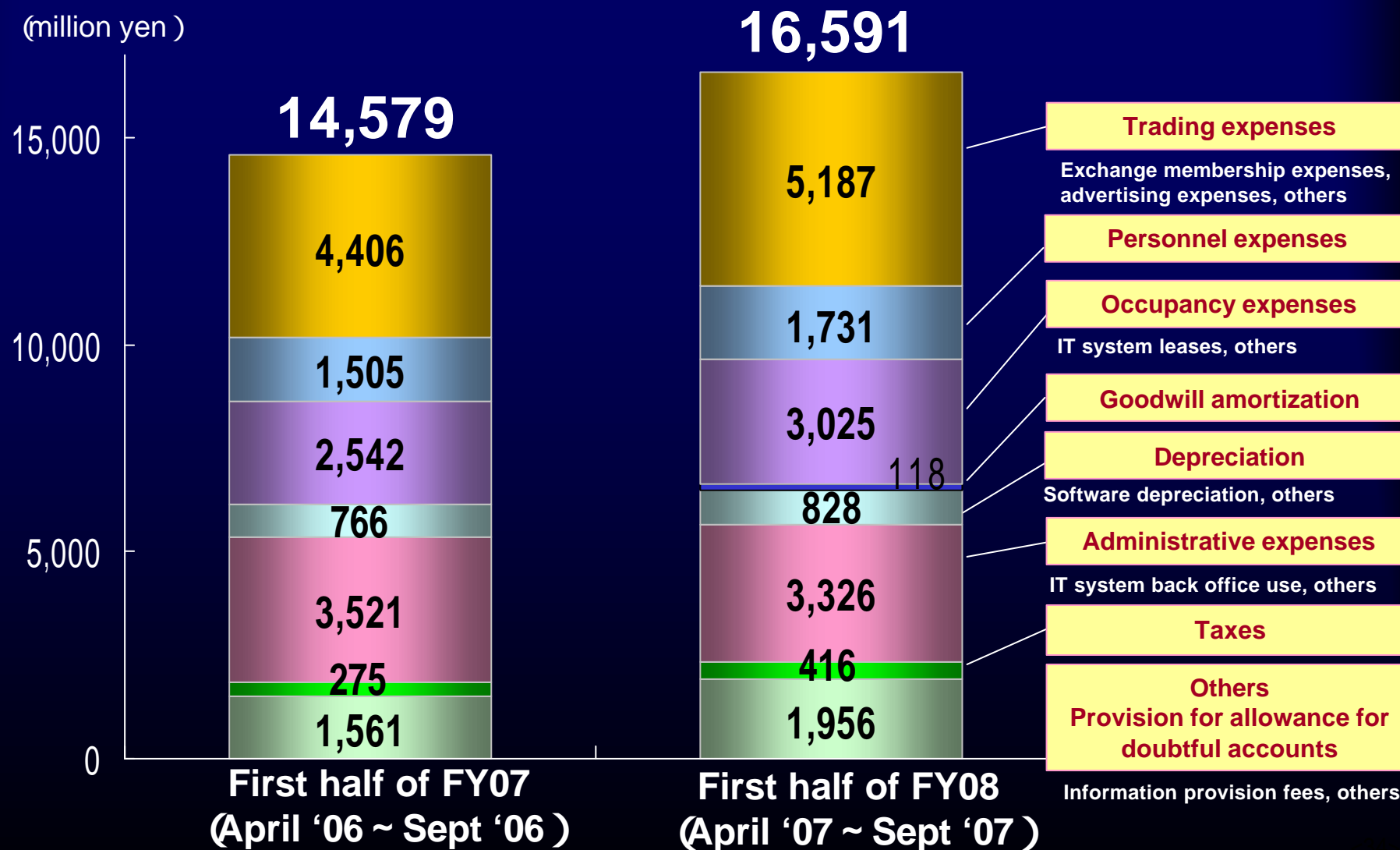


Revenues from foreign exchange margin transactions



First half highlights

(5) Consolidated selling, general and administrative expenses



First half highlights

(6)- E*TRADE Korea FY08 first half performance

< converted to yen >

(million yen, %)

	First half of FY07 (April '06 ~ Sept '06)	First half of FY08 (April '07 ~ Sept '07)	YoY change
Operating revenues	2,830	4,769	+68.5
Net operating revenues	2,666	4,321	+62.1
Operating income	699	1,631	+133.3
Ordinary income	706	1,640	+132.2
Net income	521	1,086	+108.4

(Won is converted to yen using average monthly exchange rates.)

First half highlights

(6)- E*TRADE Korea FY08 first half performance

< Korean won >

(million won, %)

	First half of FY07 (April '06 ~ Sept '06)	First half of FY08 (April '07 ~ Sept '07)	YoY change
Operating revenues	23,186	36,884	+59.1
Net operating revenues	21,841	33,420	+53.0
Operating income	5,730	12,582	+119.6
Ordinary income	5,787	12,656	+118.7
Net income	4,273	8,377	+96.0

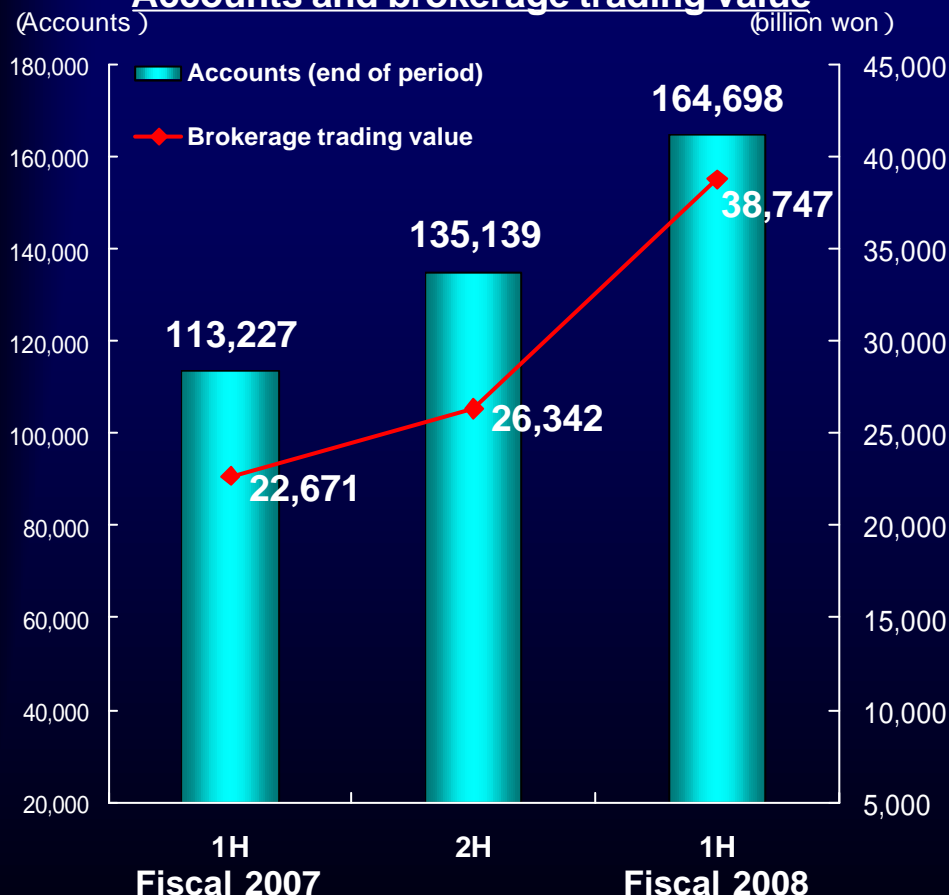
(6) Consolidated subsidiary

E*TRADE Korea Co., Ltd.

E*TRADE
K O R E A

Higher revenues and record earnings due to growth in number of accounts and favorable market conditions

Accounts and brokerage trading value



Profile (September 30, 2007)

Capital:	66,390 million won
Equity ratio:	73.4 %
Online accounts:	164,698 (5th largest in Korea)
Brokerage trading value:	38,747.1 billion won (Apr. '07 ~ Sept. '07) (1th largest in Korea)

Major FY08 initiatives

Trading tool that permits real-time trading of Japanese stocks

Major upcoming initiatives

- Provision of global trading service. Plan to offer trading of U.S., Chinese and Hong Kong stocks
- Portal site alliances to increase number of customer accounts

Value of SBI E*TRADE equity interest is about **¥11 billion** (September 30, 2007)

Converted using exchange rate as of September 30, 2007

First half highlights

(6) IT system subsidiaries

Made two IT system companies subsidiaries on July 9, 2007

Started contributing to consolidated performance in FY08 2nd quarter

Traders Financial Systems Co., Ltd.	
	FY08 2nd quarter (July ~ Sept. '07)
Operating revenues	449
Net operating revenues	208
Operating income	149
Ordinary income	160
Net income	86

(million yen)

TradeWin Co., Ltd.	
	FY08 2nd quarter (July ~ Sept. '07)
Operating revenues	282
Net operating revenues	54
Operating income	-52
Ordinary income	-54
Net income	-22

(million yen)

2. Major first half initiatives

2. Major first half initiatives

Major first half initiatives

• Indicates service release, *Indicates alliance, decision, etc.

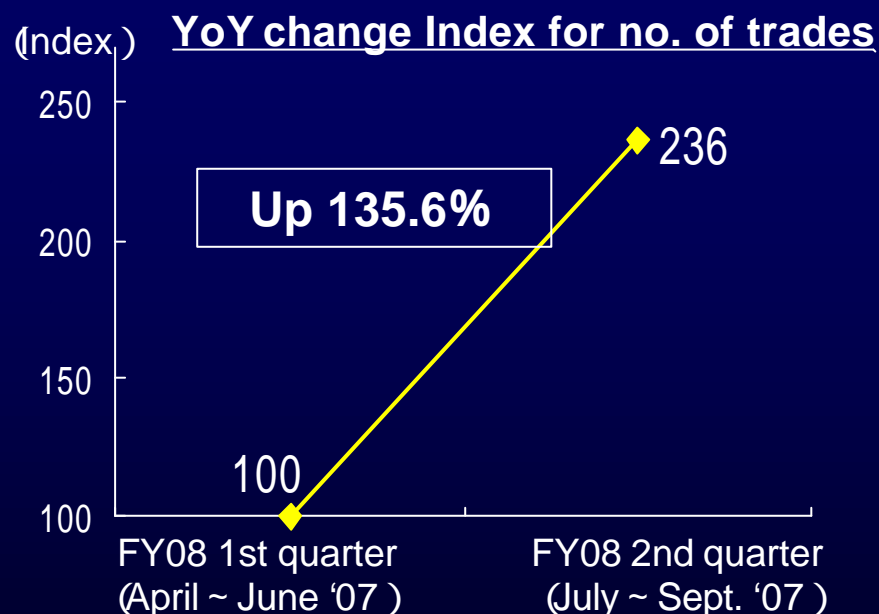
Month	Description of action
April	<ul style="list-style-type: none"> • Started HYPER E*TRADE reverse limit order service • Started instant settlement service through alliance with Seven Bank • Started promoting the SBI Holdings SNS E*TRA Long-life Village (now SBI Money World) to customers with securities accounts
May	<ul style="list-style-type: none"> • Introduced S! appli compatible HYPER MOBLIE service for cell phone users • "Biggest Campaign of All Time" ? Cut to industry's lowest level the fee structure for eight products • Started MOBILE E*TRADE for W-ZERO3 service for the WILLCOM W-ZERO3 series • Started Investment Trust Double Smile Campaign
June	<ul style="list-style-type: none"> • Cut official commissions for E*TRADE FX foreign exchange margin trading • Lowered interest rates on long margin positions with no maturity (ordinary margin trades) • Conducted Biggest Campaign of All Time ? Customer Appreciation • Started promoting 401k accounts for individuals at the Everyone's Money Site of Seven Bank • Started handling overseas exchange-traded funds
July	<ul style="list-style-type: none"> • Through alliance with Winterthur Swiss Life Insurance, started handling investment-type annuity insurance through Internet applications <p>*Made TradeWin and Traders Financial Systems wholly owned subsidiaries through exchange of stock</p>
Aug.	<ul style="list-style-type: none"> • Significantly eased requirements for free use of HYPER E*TRADE Ver2.0 • Began accepting requests to use E*TRADE points as contributions to victims of the earthquake in Niigata, Japan • Started nighttime trading service (started link with Japannext PTS) • Started a campaign that cut mini-Nikkei 225 futures commissions to the industry's lowest level
Sep.	<ul style="list-style-type: none"> • Started bank agent service for Sumishin SBI Net Bank • Started offering FLASH version of form to open an account
Oct.	*Merged with SBI Securities

2. Major first half initiatives

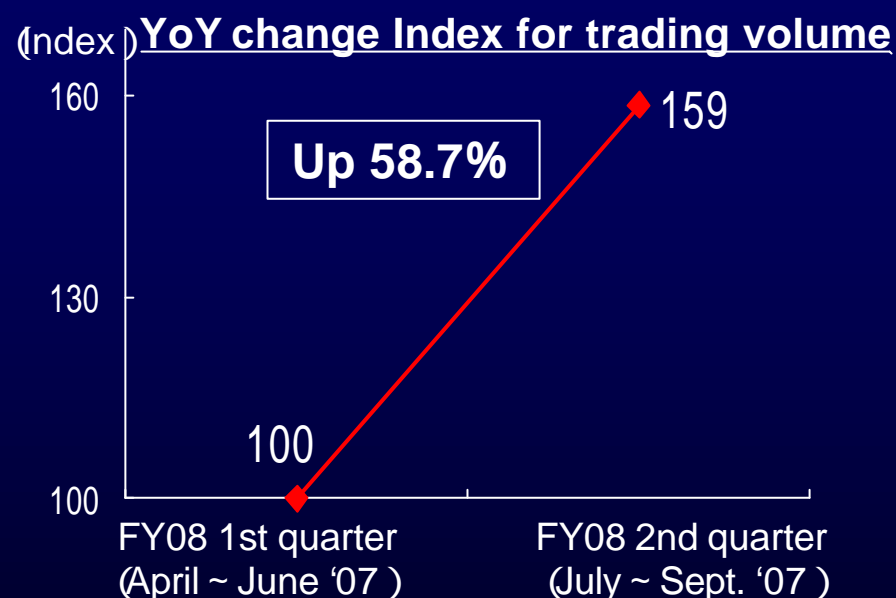
Biggest Campaign of All Time - Cut commissions for products to the industry's lowest level

Big cuts in investment expenses produced growth in trading volume

Foreign exchange margin transactions



Futures and options transactions



< Results of other initiatives >

- Odd-lot (S shares) trades: No. of trades up 115.7%**
- Chinese stock trading: No. of trades up 44.1%**
- Covered warrants: No. of trades up 60.2%**

Succeeded in raising trading volume for almost all products by lowering investment costs for products other than Japanese equities in order to allow individuals to diversify their portfolios

2. Major first half initiatives

Pursued group synergies through collaboration with Sumishin SBI Net Bank

Started offering bank agency services on Sept. 24 for Sumishin SBI Net Bank

Bank agency services

Service	Description
Open ordinary savings account	Simple account opening procedure using Internet that requires no written documents of confirmation of ID

Services offered with banks

Service	Description
Deposit exclusively for E*TRADE	Bank account funds automatically used to pay for stock and other purchases
Automatic payment service for margin calls, etc.	When an additional deposit is required for a margin position, the required amount is automatically transferred from the bank account to the securities account.
Aggregation service	Allows using the bank Web site to check the securities account balance

Closely links the asset management function of a securities account with the settlement function of a bank account



This alliance to offer even more convenient services demonstrates our commitment to putting the customer first.

2. Major first half initiatives

Investment banking

Made many contributions to the growth of companies by offering IPO underwriting and other investment banking services

Lead underwriter issues (Fifth issue)

Company: Naturum Corporation

Listed: October 19

Market: Osaka Hercules



Activities

Internet sales of outdoor and fishing products

Lead manager consulting contracts with 31 companies (September 30, 2007)

Participated in underwriting syndicates of 31 of the 50 newly listed companies in Japan during the first half (April ~ Sept.)

Highest participation rate among online and all other Japanese securities companies

Served as agent for takeover bid for the first time

Company: Living Corporation

Activities

Designer condominiums that are sold as entire buildings

Planning, development and sales

Tender offer:

August 1 ~ September 3, 2007



Aim to maximize profit opportunities by using IPO as a means of meeting PO, M&A and other subsequent needs of these companies

2. Major first half initiatives

Response to Financial Products Exchange Law

Complying with provisions of Financial Products Exchange Law, which is aimed at protecting investors and improving market functions

Compliance with tighter advertising restrictions

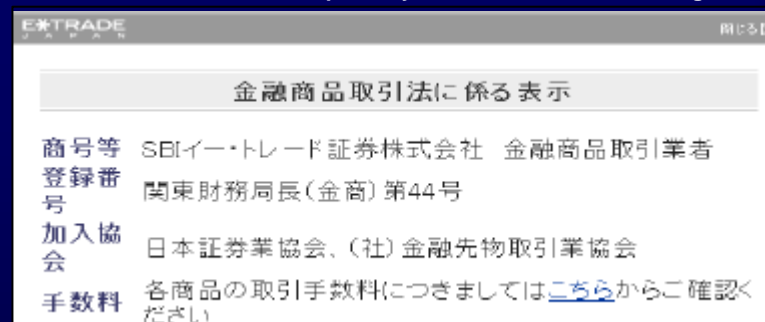
Inclusion of information on risks associated with products

< Media used >

- ◆ Web site (including back-up site)
- ◆ Trading tools (HYPER E*TRADE、MOBILE E*TRADE, others)
- ◆ Mobile Web site
- ◆ Information sent e-mail (e-magazine)

Inclusion of product risk information for each product in all transaction channels and advertising media

Inclusion of information required by Financial Products Exchange Law



金融商品取引法に係る表示	
商号等	SBIイー・トレード証券株式会社 金融商品取引業者
登録番号	関東財務局長(金商)第44号
加入協会	日本証券業協会、(社)金融先物取引業協会
手数料	各商品の取引手数料につきましては こちら からご確認ください

< Contents >

Name, etc. Registration no. Association memberships Risks associated with products Commissions

Footers on each Web site page provide links to pages with applicable information

Other measures

Rigorous application of the suitability rule

Different products and services for specific types of investors (Pro/amateur system)

Provision of written contracts and explanations prior to signing contracts Accept applications only after confirming that the customer fully understands all aspects of the applicable service. Reconfirm provisions of products and services with existing customers

Rigorously protect investors by providing them with a full understanding of financial products

Establish systems to further upgrade compliance with laws and regulations

3. New Initiatives

3. New Initiatives

(1) Aim to become an Internet full-line securities company

- Establish a consistently profitable operating structure
- Strength in both elements of Internet full-line securities services:
Retail and wholesale

(2) New initiatives

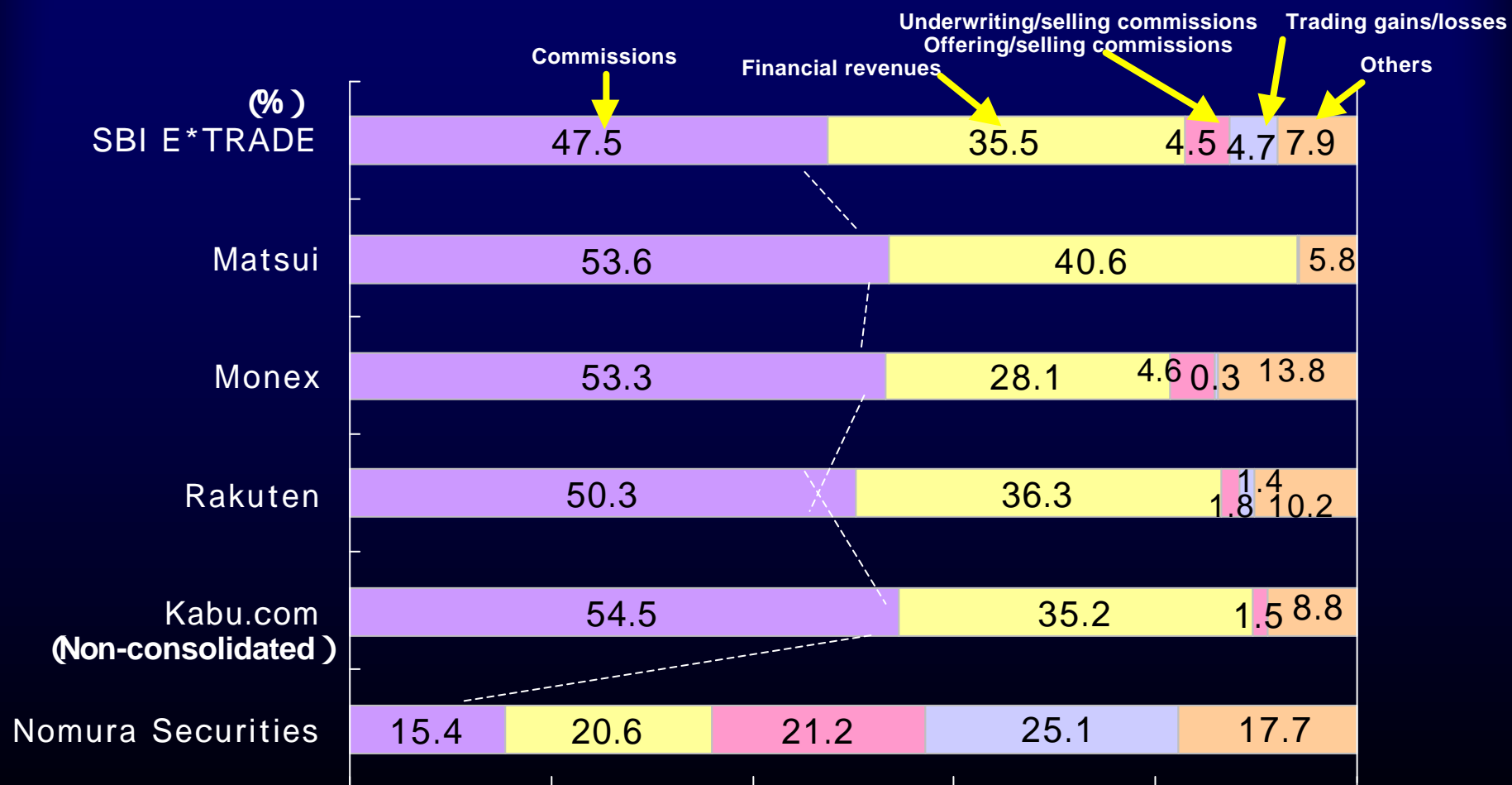
- Merger with SBI Securities created Japan's first "real based on Internet" securities company
- Measures to increase trading volume on nighttime market
- Install IVR (interactive voice response) system
- Service for purchase of foreign currency-denominated foreign government bonds
- Plan to extend HYPER E*TRADE Ver 2.0 to include futures and options and E*TRADE FX

(1) Aim to become an Internet full-line securities company

Establish a consistently profitable operating framework

Build a profit structure that is not vulnerable to market fluctuations

Composition of consolidated operating revenues in FY08 first half



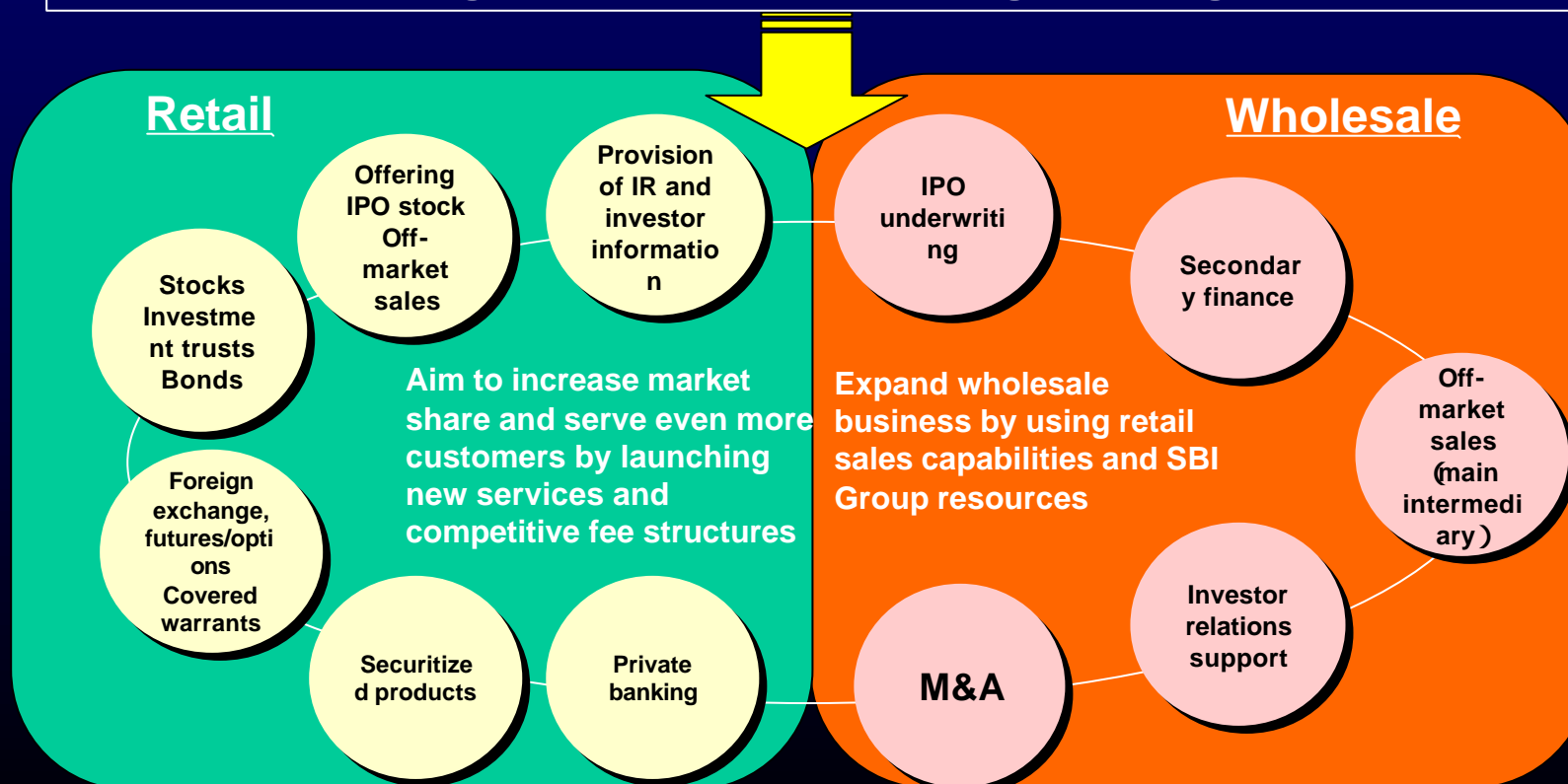
Source: Company Web sites and earnings releases (Nomura Securities figures based on Japanese standards)

(1) Aim to become an Internet full-line securities company

The two elements of comprehensive services: Retail business and wholesale business

Leverage the retail business operating base to expand the wholesale business with aim of establishing a consistently profitable operating structure

**Overwhelming lead in online customers served
27 offices nationwide, sales force of about 270 (Sep. 30, 2007)
Growing share of retail brokerage trading value**

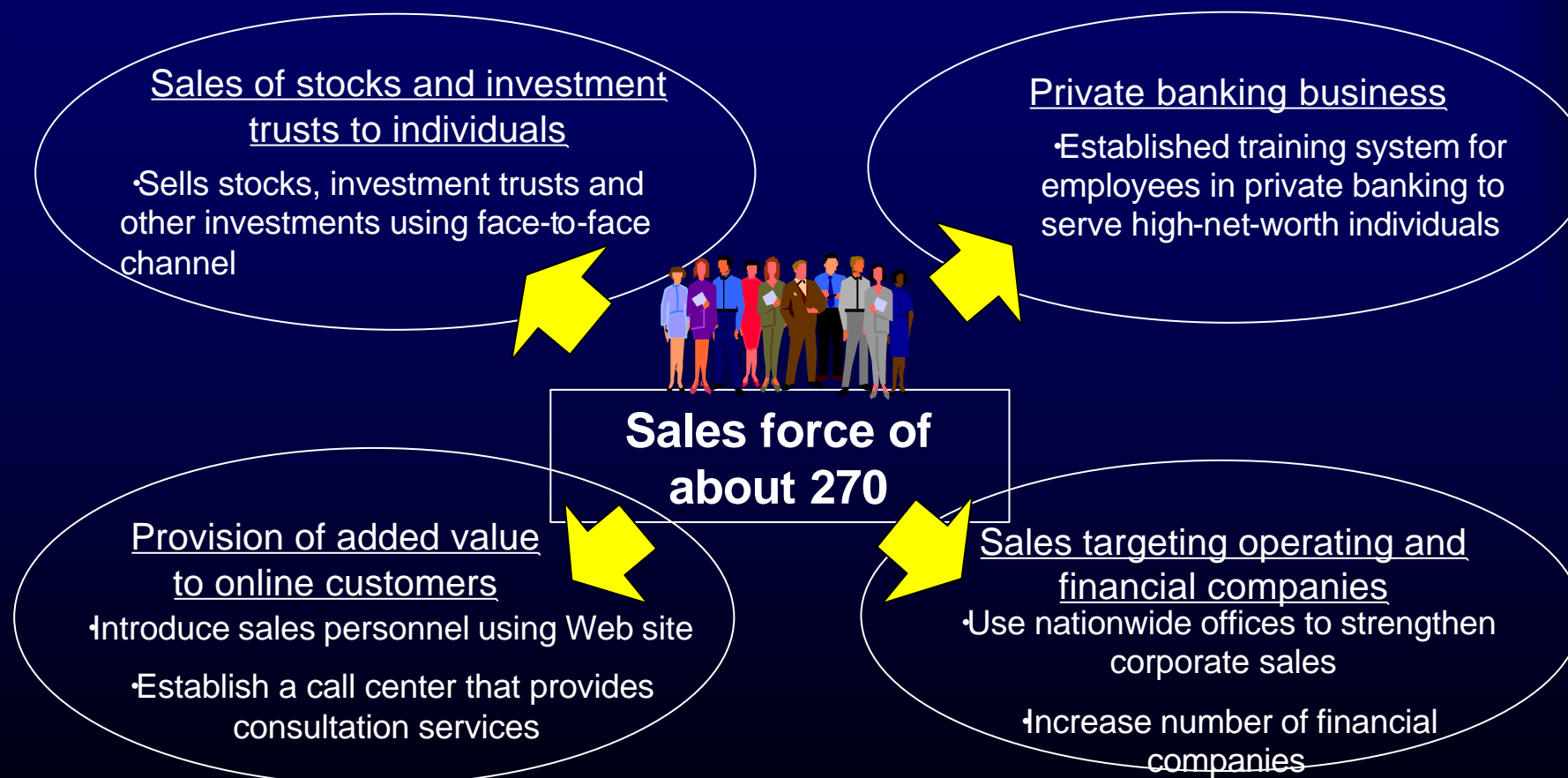


(2) New initiatives

Use SBI Securities merger to expand face-to-face sales

Actions using conventional channels to become a comprehensive securities company

Diversify businesses using face-to-face channels to expand underwriting and private banking operations



Conduct unprecedented and highly efficient sales activities by using the convergence of Internet and “real” infrastructure and capturing mutual synergies

(2) New initiatives

Measures to increase trading on nighttime market

By generating sufficient volume, the PTS business of SBI E*TRADE is already profitable.

< Services to be introduced >

Start of ordinary margin transactions

Increase trading value and liquidity by offering investors greater convenience

Start of compatibility with HYPER E*TRADE

More convenience for investors when making trades

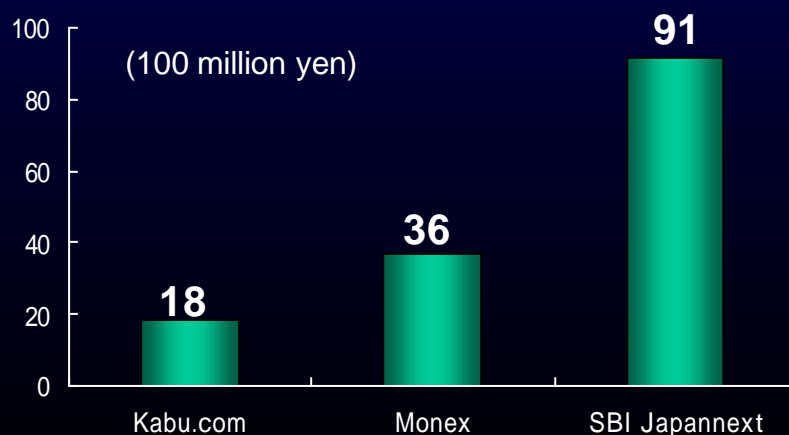
Extended trading hours(*1)

More investment opportunities by extending the overlap of trading hours with U.S. markets



Aiming for faster growth in customer trading volume and value by SBI E*TRADE customers

(reference) September trading value of Japannext and competing PTS(*2)



About **5 times higher** than kabu.com PTS (started Sept. 2006)

About **2.5 times higher** than Monex Nighter (started Jan. 2001)

(*1) Extended trading hours to 19:00 ~ 23:59 on Oct. 26, 2007

(*2) Excerpt from Oct. 8, 2007 Chunichi Shimbun

(2) New initiatives

Use of Interactive Voice Response (IVR) Technology

Will start by using IVR to provide stock prices and accept orders in order to offer greater convenience.

Plan to start IVR service in December 2007

< Major functions >

Standard and margin orders for Japanese stocks

Prices of Japanese stocks

Voice recognition function for names of stocks

Check balances Withdrawals

Check orders Stop ATMs

*Orders can also be placed for PTS nighttime trades and odd-lot (S stock) trades.

Use the telephone for;
 Check stock prices
 Place orders



- In principle, orders can be placed by telephone any time of the day (24 hours)
- Can be used as a back-up system for conducting trades during emergencies.
- A supplementary service for individuals who have difficulty performing trades using the Web site and viewing the mobile Web site.

Aim to deepen ties with individual investors by adding more trading channels and offering greater convenience.

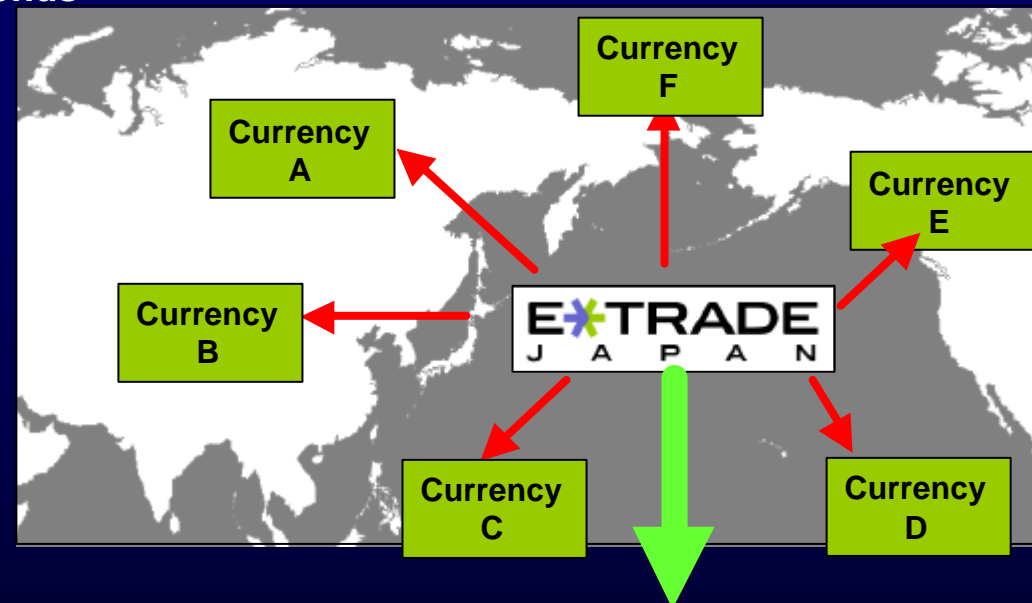
(2) New initiatives

Service for buying foreign currency-denominated foreign government bonds

Considering spring 2008 start of service for purchase of foreign currency-denominated foreign government bonds

< Advantages of foreign-currency foreign bonds >

1. No two-way exchange fees needed for conversion because settlement is in the foreign currency
2. Offers ability to hedge foreign exchange risk based on the investor's own decisions.
3. Ability to tie up a smaller amount of funds because there is no exposure to foreign exchange rate fluctuations when placing an order.
4. In principle, orders can be placed any time of the day.



“View all currency gains and losses at once”

- ◆ Possible to determine stock and bond gains and losses for each currency
- ◆ Ability to view gains and losses for each currency on a single screen offers customers greater convenience

Plan to increase number of currencies offered to meet the needs of individual investors.

(2) New initiatives

HYPER E*TRADE Ver 2.0 Plan to add compatibility with futures/options and E*TRADE FX

Use a real-time trading tool for futures/options and foreign exchange margin transactions



*Screen shows the current HYPER E*TRADE

< Major steps to offer more convenient services >

November 2006

Released HYPER E*TRADE Ver 2.0

Offered more information and improved ease of use

April 2007

Added reverse limit order function

Reduced lost profit opportunities for customers caused by inability to place, correct and cancel orders on a real-time basis.

Continuously eased requirements for utilization at no charge to make this service available to even more individuals.*

*As of October 2007, at least three trades per month, etc.

Futures/options, foreign exchange margin trading
Big increase in trading volume, mainly by individuals



Investors' needs are diversifying beyond stocks. Combining the orders for many investments in a single tool thus provides much more convenience.

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

Risks and commissions associated with products handled by SBI E*TRADE

Name: SBI E*TRADE SECURITIES, Financial Products Trader

Registration number: Kanto Regional Finance Bureau (Kinsho) No. 44

Memberships: Japan Securities Dealers Association, The Financial Futures Association of Japan

Risk information concerning products

◆Japanese stocks Ordinary trading

- Stock transactions may result in losses due to changes in stock prices and other factors.

◆Japanese stocks Margin trading

- Margin trades require a deposit of at least 33% of the transaction value, but not less than ¥300,000.
- Since margin trading permits using small deposits to conduct large transactions, there is a risk of incurring a substantial loss.
- Margin trading may produce losses due to changes in applicable stock prices and other factors. In addition, losses may exceed the margin deposit.

◆Odd-lot shares

- Stock transactions may result in losses due to changes in stock prices and other factors.

Risks and commissions associated with products handled by SBI E*TRADE

Risk information concerning products

◆Off-market sales

- Stock transactions may result in losses due to changes in stock prices and other factors.

◆IPO/Public offerings Secondary offerings

- Stock transactions may result in losses due to changes in stock prices and other factors.

◆Investment trusts

- Investment trusts purchase mainly stocks, corporate and government bonds and other securities with price volatility. Since the principal is not guaranteed, the price of each investment unit will fluctuate along with changes in market prices, exchange rates and other items on markets associated with trust assets. Consequently, the value of an investment trust investment may fall below a customer's initial investment.
- Investment trusts differ depending on the type of assets held, investment limits, markets and countries used for investments, and other factors. Since each trust has a different risk profile, investors are urged to read the prospectus and contract before signing.

◆Bonds

- Bond prices move together with changes in market interest rates. Consequently, investors may incur losses when selling a bond prior to its maturity.
- Foreign government bonds may produce losses due to changes in foreign exchange rates and other items.

Risks and commissions associated with products handled by SBI E*TRADE

Risk information concerning products

◆Futures ◆Options

- The required deposit is (SBI E*TRADE SPAN deposit + Net option value) x 1.4 (140%).
- The SBI E*TRADE SPAN deposit and total net option value is recalculated each time an order is placed or completed. Furthermore, the deposit may change due to exchange regulations or a decision by SBI E*TRADE at its discretion.
- Please confirm the current SPAN deposit by visiting the Osaka Securities Exchange Web site.
- Prices of stock index futures (Nikkei 225 and mini Nikkei 225) fluctuate along with changes in stock indexes and other items. This volatility may result in losses for investors. If market prices move in the opposite direction than was expected, investors may lose a large part or all of the deposit in a short time. Furthermore, this loss may exceed the deposit. Moreover, since stock price index futures trading permits using small deposits to conduct large transactions, there is a risk of incurring a substantial loss.
- Prices of stock index options (Nikkei 225 options) fluctuate along with changes in stock indexes and other items. This volatility may result in losses for investors. Caution is needed because options can be exercised only during a certain period. Investors who buy options will lose their entire investments if the option is not exercised or resold before the expiration date. Investors who sell options may be exposed to an unlimited loss if market prices move in the opposite direction than expected. Furthermore, since stock index option market prices are linked to movements in the actual stock index, volatility of option prices may be higher than the rate of change in the actual stock index. In some cases, there is a risk of incurring a substantial loss.

Risks and commissions associated with products handled by SBI E*TRADE

Risk information concerning products

◆Foreign stocks

- Foreign stock transactions may result in losses due to changes in stock prices and other factors.
- Foreign stock transactions may result in losses due to changes in foreign exchange rates and other items.

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◆Foreign exchange margin transactions (E*TRADE FX)

- Foreign exchange margin transactions are conducted in units of ¥10,000 to ¥10 million and require a minimum deposit of from ¥50,000 to ¥200,000.
- Principal and interest for these transactions is not guaranteed.
- These transactions are conducted using a small deposit in relation to the amount of the trade. Consequently, while investors may earn large profits in relation to the deposit, there is also a risk of incurring a large loss within a short time.
- These transactions may result in losses due to changes in currency prices, financial indicators and other items. Furthermore, losses may exceed the deposit.
- The swap point varies depending on changes in interest rates and other items. Consequently, there is no guarantee that the swap point will remain the same.
- Transaction rates use the 2-way method, resulting in a difference between the purchase and sale value.

◆Individual annuities

- Investments used by individual annuity plans include investment trusts. Since the value of investment trust investments changes depending on changes in prices of trust stocks and bonds, exchange rates and other items, the value of an investment may fall below the principal.

Risks and commissions associated with products handled by SBI E*TRADE

Risk information concerning products

◆Insurance

- Insurance policy assets are managed in a separate account while premiums are received and while annuity payments are made. Death benefits, annuity payments and refunds upon policy termination may increase or decrease depending on the performance of assets in the special account. Assets in the special account are vulnerable to investment risks associated with changes in prices of stocks and corporate and government bonds, exchange rates, and other items. Depending on the performance of assets, the sum of annuity payments and the refund upon termination may fall below the one-time insurance premium payment. The policyholder is responsible for all of the risk.

◆e-warrants

- Prices of e-warrants (covered warrants) are vulnerable to many factors that include but are not restricted to changes in prices of underlying stocks and stock indexes, REITs, depositary receipts, JGB futures, currencies (link bonds), commodities (link bonds), to the passage of time (in general, the price declines with time, except for certain types of issues), and to foreign exchange rates (for underlying assets are outside Japan). Consequently, principal is not guaranteed and there is a high risk of losing the entire original investment. Furthermore, e-warrants generally have greater price volatility than a direct investment in the underlying assets. (However, when the price of an e-warrant is extremely low, price movements are virtually unaffected by changes in prices of underlying assets.)
- Prices of near-pin e-warrants (covered warrants) are vulnerable to many factors that include but are not restricted to changes in stock indexes and foreign exchange rates, which are the underlying assets, and the passage of time (including during a single day). Consequently, principal is not guaranteed and there is a high risk of losing the entire original investment. Furthermore, nearpin e-warrants generally have greater price volatility than a direct investment in the underlying assets. The maximum amount that can be received per warrant is ¥100. If the price of the applicable assets upon maturity differs from the pin price by more than the prescribed amount, the price will be zero upon maturity. Even if an investor purchases all types of nearpin e-warrants that have the same maturity date, there is a possibility of losing the entire investment.
- Furthermore, a transaction may be terminated even during exchange trading hours.
- There is a difference (spread) between customers' purchase and sales prices.

Risks and commissions associated with products handled by SBI E*TRADE

Fees and commissions (*Includes Internet •mobile device transaction fees and taxes)

Japanese stocks, ETF, REIT, Securities investment companies

- For ordinary trades, the commission per order is ¥200 for trades up to ¥100,000, ¥250 up to ¥200,000, ¥450 up to ¥500,000, ¥800 up to ¥1 million, ¥950 up to ¥1.5 million, ¥1500 up to ¥30 million and ¥1575 for more than ¥30 million. The commission for trades in a single day is nothing for up to ¥100,000, ¥250 up to ¥200,000, ¥315 up to ¥300,000, ¥500 up to ¥500,000, ¥900 up to ¥1 million, and an additional ¥420 for each additional ¥1 million. For system/ordinary margin trades, the commission per order is ¥150 for trades up to ¥100,000, ¥250 up to ¥200,000, ¥200 up to ¥500,000, and ¥400 for more than ¥500,000. The commission for trades in a single day is nothing for up to ¥100,000, ¥300 up to ¥500,000, ¥600 up to ¥1 million, ¥1000 up to ¥10 million, ¥2000 up to ¥50 million, and an additional ¥2000 for each additional ¥50 million.
- *The total transaction value and commission are calculated separately for ordinary Japanese stock transactions, Japanese stock system margin transactions, and Japanese stock ordinary margin transactions.
- For PTS nighttime trades, the commission per order is ¥450 for trades up to ¥500,000, ¥800 up to ¥1 million, ¥950 up to ¥1.5 million, ¥1500 up to ¥30 million, and ¥1575 for more than ¥30 million (but commission is ¥367 for all trades executed on February 29, 2008). PTS nighttime trades are not possible with HYPER MOBILE and HYPER MOBILE Lite.
- The commission for odd-lot shares (S stock) transactions is 0.63% of the transaction value. There is no minimum commission.
- There is no commission for IPOs, public offerings and secondary offerings. With MOBILE E*TRADE, purchases are possible only after submitting a bookbuilding application and confirming the result of the drawing. This is not possible with MOBILE E*TRADE for W-ZERO3, HYPER MOBILE and HYPER MOBILE Lite.

Risks and commissions associated with products handled by SBI E*TRADE

Fees and commissions (*Includes Internet mobile device transaction fees and taxes)

◆Japanese stocks, ETF, REIT, Securities investment companies (continued)

- There is no commission for off-market sales. Off-market sales are not possible with MOBILE E*TRADE for W-ZERO3, HYPER MOBILE and HYPER MOBILE Lite.

◆Foreign stocks

- For U.S. stocks, the commission per order is US\$26.25 up to 1,000 shares and an additional 2.1 cents for each additional share.
- For Chinese stocks, the commission is 0.4095% of the transaction value. The minimum commission is HK\$31.50 and the maximum commission is HK\$315.
- For Korean stocks, the commission is 0.945% of the transaction value. The minimum commission is 9,450 won.

*There is a management fee of up to 0.99% on overseas ETF.

◆Investment trusts

- For stock and other investment trusts, the application fee is a maximum of 3.15% of the unit price, the trust fee is a maximum of 2.31% of the net assets, and the trust asset retention amount is a maximum of 1% (not taxed) of the unit price upon redemption. Please check for other fees in the prospectus of each fund. Investment trust fees are different for each fund.
- When investing in a foreign currency-denominated MMF (U.S. dollars), investors pay only the amount of the investment. There is also a one-way foreign exchange fee of ¥0.25 for the foreign exchange transaction associated with the purchase of the foreign currency-denominated MMF.

Risks and commissions associated with products handled by SBI E*TRADE

Fees and commissions (*Includes Internet +mobile device transaction fees and taxes)

◆Bonds

- Japanese bonds (except convertible bonds): Investors pay only the value of the bonds when buying Japanese bonds.
- Foreign bonds: Investors pay only the value of the bonds when buying foreign bonds. Please note that there is also an SBI E*TRADE foreign exchange fee associated with the purchase of the foreign bond (payable for each purchase). This fee is ±¥0.50 for the U.S. dollar, ±¥0.80 for the euro, ±¥0.80 for the Canadian dollar, ±¥1 for the Australian and New Zealand dollars, ±¥0.50 for the South African rand, and ±¥0.30 for the Mexican peso. Please note that these foreign exchange fees may be revised at any time without prior notice.

◆Financial products

- For foreign exchange margin transactions, the commission is ¥300 for each trading unit and ¥4500 for 15 or more trading units. When there are two or more positions, this commission is applied to each one. Foreign exchange margin transactions are not possible with MOBILE E*TRADE for W-ZERO3, HYPER MOBILE and HYPER MOBILE Lite.
- For futures transactions, the commission is ¥525 per Nikkei 225 contract and ¥105 per mini Nikkei 225 contract. Futures trading is not possible with MOBILE E*TRADE for W-ZERO3, HYPER MOBILE and HYPER MOBILE Lite.
- For options transactions, the commission is 0.21%. Options transactions are not possible with MOBILE E*TRADE for W-ZERO3, HYPER MOBILE and HYPER MOBILE Lite.
- e-warrant commissions are ¥262 for trades up to ¥200,000 and ¥525 for trades of ¥200,000 or more.
- There is no commission for individual annuity transactions.
- For insurance policies, there is no commission for investment-type annuity policies, healthcare insurance, cancer insurance, automobile insurance, overseas travel insurance and golf insurance. However, for investment-type annuity policies, there is a fee of 5.0% of the lump-sum premium payment to cover initial policy expenses, a monthly fee of ¥500 for policy management expenses and other insurance administrative expenses. Please visit the SBI E*TRADE Web site to obtain more information.

Risks and commissions associated with products handled by SBI E*TRADE

Fees and commissions (*Transaction fees including taxes at conventional offices)

◆Japanese stocks, ETF, REIT, Securities investment companies

- For ordinary trades, the commission per order is 1.2075% of the transaction value for trades up to ¥1 million, 0.945% + ¥2,625 for trades of ¥1 million+ to ¥5 million, 0.735% + ¥13,125 for trades of ¥5 million+ to ¥10 million, 0.60375% + ¥26,250 for trades of ¥10 million+ to ¥30 million, 0.39375% + ¥89,250 for trades of ¥30 million+ to ¥50 million, the higher of ¥286,125 or 0.189% + ¥134,400 for trades of ¥50 million+ to ¥100 million, 0.168% + ¥155,400 for trades of ¥100 million+ to ¥300 million, 0.105% + ¥344,400 for trades of ¥300 million+ to ¥500 million, 0.084% + ¥449,400 for trades of ¥500 million+ to ¥1 billion, and 0.063% + ¥659,400 for trades of more than ¥1 billion.

*However, the commission is ¥2,650 if the above commission of 1.2075% of the transaction value is less than ¥2,650.

*More information concerning commissions is available at any SBI E*TRADE office.

◆IPO, public offering, secondary offering and off-market sale commissions

- Investors pay only the cost of the investment for stock offerings, secondary offerings and off-market sales.

◆Bond commissions

- Investors pay only the value of the investment when buying bonds directly from SBI E*TRADE at an SBI E*TRADE office. Please note that there is also a foreign exchange fee associated with the purchase of foreign bonds. The maximum fee is ¥0.50 for the U.S. dollar, ¥1 for the British pound, ¥0.80 for the euro, ¥0.80 for the Canadian dollar, ¥1 for the Australian and New Zealand dollars, ¥0.50 for the South African rand, ¥0.30 for the Mexican peso, ¥2.70 for the Turkish lira, and ¥0.20 for the Hungarian forint.

Risks and commissions associated with products handled by SBI E*TRADE

Commissions (*Transaction fees including taxes at conventional offices)

◆Commissions for convertible bonds and securities with warrants

- For convertible bonds and securities with warrants,, the commission per order is 1.050% of the transaction value for trades up to ¥1 million, 0.945% + ¥1,050 for trades of ¥1 million+ to ¥5 million, 0.735% + ¥11,550 for trades of ¥5 million+ to ¥10 million, 0.5775% + ¥27,300 for trades of ¥10 million+ to ¥30 million, 0.420% + ¥74,550 for trades of ¥30 million+ to ¥50 million, 0.2625% + ¥153,300 for trades of ¥50 million+ to ¥100 million, 0.210% + ¥205,800 for trades of ¥100 million+ to ¥1 billion, and 0.1575% + ¥730,800 for trades of more than ¥1 billion.

*However, the commission is ¥1,050 if the above commission of 1.050% of the transaction value is less than ¥1,050.

*More information concerning commissions is available at any SBI E*TRADE office.

Brokerage commissions for listed bonds (per ¥100 of face value)

- For Japanese government bonds, the commission is ¥0.42 for a face value up to ¥5 million, ¥36.75 for a face value of ¥5 million+ to ¥10 million, ¥31.50 for ¥10 million+ to ¥50 million, ¥26.25 for ¥50 million+ to ¥100 million, ¥10.50 for ¥100 million+ to ¥1 billion, and ¥5.25 for more than ¥1 billion. For government-guaranteed bonds, municipal bonds, foreign government bonds, foreign municipal bonds and international institution bonds, the commission is ¥0.63 for a face value up to ¥5 million, ¥52.50 for a face value of ¥5 million+ to ¥10 million, ¥0.42?? for a face value of ¥10 million+ to ¥50 million, ¥31.50 for ¥50 million+ to ¥100 million, ¥15.75 for ¥100 million+ to ¥1 billion, and ¥10.50 for more than ¥1 billion. For other bonds, the commission is ¥0.84 for a face value up to ¥5 million, ¥68.25 for a face value of ¥5 million+ to ¥10 million, ¥52.50 for a face value of ¥10 million+ to ¥50 million, ¥36.75 for ¥50 million+ to ¥100 million, ¥0.21?? for ¥100 million+ to ¥1 billion, and ¥15.75 for more than ¥1 billion.

*More information concerning commissions is available at any SBI E*TRADE office.