



SBI Holdings, Inc. and Consolidated Subsidiaries

Consolidated Balance Sheets

(Millions of Yen)

	2008	2009	1Q	2Q	3Q
	31st March	31st March	2009 30th June	2009 30th September	2009 31st December
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	¥159,007	¥126,313	¥130,312	¥115,477	¥144,745
Time deposits	1,518	1,141	1,870	2,041	1,963
Cash required to be segregated under regulations	313,817	266,267	313,257	322,213	319,510
Trade notes and accounts receivable	10,985	7,915	8,532	8,535	8,308
Operational investment securities	115,717	105,236	104,539	106,298	113,440
Valuation allowance for operational investment securities	(4,967)	(6,207)	(6,762)	(6,123)	(5,893)
Operational loans receivable	66,261	47,868	39,869	43,606	34,587
Real estate inventory	32,895	36,515	36,964	38,055	32,207
Trading assets	1,728	7,725	443	2,678	3,043
Margin transaction assets:					
Receivables from customers	274,887	134,792	226,442	229,589	208,970
Cash deposits as collateral for securities borrowed	17,995	46,009	23,200	33,529	31,463
Loans secured by securities	-	1	-	-	-
Short-term guarantee deposits	13,414	8,846	10,332	4,184	3,605
Deferred tax assets—current	1,053	5,921	6,185	7,794	7,058
Prepaid expenses and other current assets	66,723	65,771	72,227	47,651	46,515
Allowance for doubtful accounts	(1,762)	(2,703)	(2,175)	(2,406)	(1,906)
TOTAL CURRENT ASSETS	1,069,271	851,410	965,235	953,121	947,615
PROPERTY AND EQUIPMENT—Net:	12,652	8,578	8,407	10,758	16,765
INVESTMENTS AND OTHER ASSETS:					
Investment securities	15,972	10,088	10,946	9,465	9,497
Investments in unconsolidated subsidiaries and affiliated companies	25,923	23,781	25,139	30,021	31,707
Software, net of accumulated amortisation	9,769	9,370	9,341	11,152	11,052
Rental deposits	6,801	7,375	7,820	7,130	7,034
Goodwill	60,874	136,354	134,451	136,533	134,667
Long-term trade receivables	50	47	47	11	11
Deferred tax assets—non-current	10,595	10,602	10,402	11,783	14,423
Other assets	12,109	28,273	32,291	32,780	34,930
Allowance for doubtful accounts	(4,769)	(6,644)	(7,613)	(9,229)	(9,503)
TOTAL INVESTMENTS AND OTHER ASSETS	137,324	219,246	222,824	229,646	233,818
TOTAL	¥1,219,247	¥1,079,234	¥1,196,466	¥1,193,525	¥1,198,198
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Short-term borrowings	¥53,832	¥54,658	¥57,153	¥97,587	¥71,076
Current portion of long-term debt	112,743	63,033	79,479	70,352	90,033
Income taxes payable	9,352	2,625	2,641	5,286	3,088
Margin transaction liabilities:					
Payables to financial institutions	81,583	56,726	74,416	53,380	39,075
Proceeds of securities sold for customers' accounts	62,531	89,545	82,468	88,653	89,398
Loans secured by securities	35,441	46,588	70,274	58,269	86,930
Consignment guarantee money received for margin transactions	272,006	229,184	249,658	242,556	235,873
Customers' deposits as collateral for commodity futures	39,574	28,885	52,061	54,886	57,786
Customers' deposits for securities transactions	20,147	23,488	24,979	28,509	29,040
Unearned income	1,893	2,085	2,012	2,085	1,618
Accrued expenses	3,280	3,035	2,747	2,148	2,766
Contingent reserve	22	-	-	-	-
Deferred tax liabilities—current	8,867	6	6	17	12
Other current liabilities	39,363	23,591	35,995	25,505	25,450
TOTAL CURRENT LIABILITIES	740,634	623,449	733,889	729,233	732,145
LONG-TERM LIABILITIES:					
Long-term debt, less current portion	77,149	13,584	12,500	12,866	12,510
Deferred tax liabilities—non-current	300	566	508	504	489
Other long-term liabilities	5,431	15,043	15,396	17,556	17,748
TOTAL LONG-TERM LIABILITIES	82,880	29,193	28,404	30,926	30,747
STATUTORY RESERVES	7,967	7,253	7,253	7,220	7,220
NET ASSETS					
Common stock	55,158	55,215	55,216	55,237	55,262
Capital surplus	116,762	219,012	219,014	218,922	218,946
Retained earnings	112,339	86,866	87,077	85,763	86,427
Treasury stock—at cost	(53,064)	(636)	(636)	(247)	(247)
Unrealized gain on available-for-sale securities	10,134	(5,946)	(2,982)	(2,192)	(145)
Foreign currency translation adjustments	(122)	(966)	(1,073)	(1,692)	(1,507)
Deferred hedged profit/loss	9	(26)	-	-	-
Stock acquisition right	4	12	12	12	12
Minority Interest	146,546	65,808	70,292	70,343	69,338
TOTAL NET ASSETS	387,766	419,339	426,920	426,146	428,086
TOTAL	¥1,219,247	¥1,079,234	¥1,196,466	¥1,193,525	¥1,198,198

Note(1) The above financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates.

(2) The above financial statements are unaudited and have been prepared in accordance with accounting principles generally accepted in Japan.

(3) The leased assets presented previously as Leased assets-net have been included in Property and equipment-net or Software, net of accumulated amortisation, respectively, because it has been not material.

Consolidated Statements of Operations with Segment Information

(Millions of Yen)

	Year Ended 31st March, 2008	Year Ended 31st March, 2009				Year Ended 31st March, 2009	Year Ending 31st March, 2010			Nine-month period ended Dec. 31, 2009
		1Q Apr. - Jun.	2Q Jul. - Sep.	3Q Oct. - Dec.	4Q Jan. - Mar.		1Q Apr. - Jun.	2Q Jul. - Sep.	3Q Oct. - Dec.	
OPERATING REVENUES										
Asset Management	¥58,008	¥2,995	¥5,802	¥3,998	¥3,847	¥15,982	¥9,815	¥2,904	¥2,901	¥15,020
A. Investment in Securities	54,670	2,110	4,743	3,375	2,697	12,925	9,205	1,582	1,975	12,712
1) Revenue from Operational Investment Securities	53,447	1,828	4,460	3,096	2,421	11,805	8,927	1,253	1,615	11,795
2) Fees from Funds	1,223	282	283	279	276	1,120	278	279	360	917
<i>Fees from Funds consists of:</i>										
- Management Fee	1,141	282	283	279	276	1,120	278	279	360	917
- Establishment Fee	50	-	-	-	-	-	-	-	-	0
- Success Fee	32	-	-	-	-	-	-	-	-	0
B. Investment Advisory Service Fee and Others	3,838	825	1,059	623	650	3,057	610	772	926	2,308
Brokerage and Investment Banking	¥68,531	¥14,100	¥12,852	¥10,923	¥11,307	¥49,182	¥13,539	¥13,084	¥11,593	¥38,216
Financial Services	¥22,495	¥6,633	¥5,513	¥5,548	¥5,923	¥22,617	¥6,061	¥5,902	¥6,091	¥16,054
Housing and Real Estate	¥75,071	¥11,230	¥12,617	¥8,257	¥8,803	¥40,907	¥6,727	¥6,839	¥7,416	¥19,982
A. Real Estate Business	55,126	6,022	6,765	2,192	3,374	18,353	959	881	1,138	2,978
B. Financial Real Estate Business	6,727	1,738	1,989	2,316	1,850	7,898	1,382	2,293	3,078	6,783
C. Lifestyle Networks Business	13,218	3,470	3,863	3,749	3,579	14,661	3,386	3,665	3,200	10,261
System Solution Business	¥323	¥1,456	¥1,600	¥1,937	¥1,461	¥6,354	¥1,015	¥1,295	¥1,018	¥3,828
Eliminations/Corporate	(1,860)	(761)	(1,140)	(1,188)	(1,090)	(4,119)	(1,125)	(1,308)	(1,347)	(3,775)
OPERATING REVENUE	222,568	84,608	87,144	29,425	29,751	180,928	85,032	28,121	27,672	90,825
OPERATING COSTS										
Asset Management	38,341	1,909	2,626	3,700	2,099	10,334	7,207	1,377	1,733	10,317
Brokerage and Investment Banking	6,616	1,342	1,616	1,143	1,352	5,453	1,025	1,090	978	3,093
Financial Services	13,160	3,378	3,428	3,542	3,929	14,277	4,222	3,991	4,343	12,556
Real Estate and Housing	57,834	7,681	9,499	5,548	6,347	29,075	3,363	4,357	4,003	11,723
System Solution Business	249	1,122	1,229	1,518	1,214	5,083	874	1,157	940	2,971
Eliminations/Corporate	(856)	(165)	(165)	(127)	(131)	(588)	(155)	(234)	(171)	(560)
OPERATING COSTS	115,844	15,267	18,283	15,324	14,810	63,634	16,536	11,788	11,826	40,100
GROSS PROFIT	107,224	19,386	18,911	14,101	14,941	67,289	18,496	16,888	15,846	50,725
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES										
Asset Management	3,185	694	983	715	662	3,054	668	743	799	2,210
Brokerage and Investment Banking	41,404	9,369	9,970	9,547	9,129	38,015	9,458	9,065	8,789	27,312
Financial Services	8,486	1,883	1,702	1,647	1,617	6,849	1,681	1,764	1,993	5,438
Real Estate and Housing	9,143	2,698	2,619	2,606	2,985	10,908	2,483	2,949	3,002	8,434
System Solution Business	547	438	409	320	407	1,574	337	294	251	882
Eliminations/Corporate	1,852	345	807	449	884	2,485	688	997	590	2,275
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	64,617	15,427	16,490	15,284	15,684	62,885	15,315	15,812	15,424	46,551
OPERATING INCOME										
Asset Management	16,482	332	2,193	(517)	586	2,594	1,940	184	369	2,493
Brokerage and Investment Banking	20,511	3,389	1,266	233	826	5,714	3,056	2,929	1,826	7,811
Financial Services	849	372	383	359	377	1,491	158	147	(245)	60
Real Estate and Housing	8,094	851	499	103	(529)	924	(119)	(467)	411	(175)
System Solution Business	(473)	(104)	(138)	99	(160)	(303)	(196)	(156)	(173)	(525)
Eliminations/Corporate	(2,856)	(931)	(1,782)	(1,460)	(1,843)	(6,016)	(1,658)	(2,066)	(1,766)	(5,490)
OPERATING INCOME	¥42,607	¥3,909	¥2,421	(¥1,188)	(¥749)	¥4,404	¥3,181	¥571	¥422	¥4,174
OTHER INCOME (EXPENSES):										
Interest and dividends income	648	460	577	281	116	1,434	175	108	113	396
Interest expense	(1,785)	(486)	(561)	(737)	(666)	(2,450)	(371)	(494)	(545)	(1,410)
Foreign exchange gain (loss)-net	(726)	245	(226)	(777)	137	(621)	(194)	(357)	194	(357)
Gain (loss) on sale of investment securities-net	6,780	(1,328)	(239)	54	(7)	(1,517)	610	157	(73)	634
Appraisal loss of investment securities	(677)	(9,470)	9,102	(5,962)	(1,218)	(7,548)	(4)	(21)	(6)	(31)
Dilution gain (loss) from change in equity interest	(1,702)	261	41	29	2	341	116	(10)	1	107
Reversal of allowance for doubtful accounts	28	-	-	-	-	-	-	-	-	-
Amortization of goodwill-net	(2,121)	-	(1,066)	-	-	(1,066)	-	-	-	-
Provision for statutory reserves	(1,611)	(0)	(5)	(0)	4	(1)	-	-	-	-
Equity in losses of subsidiaries and associated companies	(11,409)	(1,003)	(802)	(582)	(1,475)	(3,862)	(113)	(36)	139	(10)
Other-net	(1,213)	(85)	(651)	(2,482)	(2,198)	(5,246)	(383)	(1,861)	(311)	(2,555)
OTHER INCOME (EXPENSES) - NET	(13,788)	(11,236)	6,181	(10,176)	(5,305)	(20,536)	(164)	(2,514)	(488)	(3,166)
INCOME BEFORE INCOME TAXES/MINORITY INTERESTS	28,819	(7,327)	8,602	(11,859)	(6,049)	(16,132)	3,017	(1,948)	(66)	1,008
INCOME TAXES										
Current	19,311	2,221	7,597	682	1,329	11,829	2,381	2,590	1,798	6,769
Deferred	(2,038)	(3,365)	(2,506)	55	136	(5,680)	(1,000)	(2,632)	(2,296)	(5,928)
TOTAL INCOME TAXES	17,273	(1,144)	5,091	737	1,465	6,149	1,381	(42)	(498)	841
MINORITY INTERESTS IN NET INCOME	(7,317)	275	874	1,771	986	3,906	263	824	232	1,319
NET INCOME (LOSS)	¥4,229	(¥5,908)	¥4,885	(¥10,825)	(¥6,527)	(¥18,375)	¥1,899	(¥1,077)	¥664	¥1,486
PER SHARE OF COMMON STOCK										
Basic net income	¥376.63					(¥1,232.48)				¥88.75
Diluted net income	¥344.65					-				¥61.85

Consolidated Statements of Cash Flows

(Millions of Yen)

	Year Ended 31st March, 2008	Year Ended 31st March, 2009				Year Ended 31st March, 2009	Year Ending 31st March, 2010			Six-month period ended Sept. 30, 2009
		1Q Apr. - Jun.	2Q Jul. - Sep.	3Q Oct. - Dec.	4Q Jan. - Mar.		1Q Apr. - Jun.	2Q Jul. - Sep.	3Q Oct. - Dec.	
OPERATING ACTIVITIES	¥50,073	(¥41,554)	¥38,140	¥63,484	¥42,965	¥103,035	(¥11,486)	(¥40,663)	¥39,338	(¥12,811)
INVESTING ACTIVITIES	(20,610)	(21,225)	19,384	1,812	(1,075)	(1,104)	(5,700)	(7,317)	(2,032)	(14,849)
FINANCING ACTIVITIES	(9,957)	16,043	(19,473)	(32,060)	(102,025)	(137,515)	21,113	34,092	(8,471)	46,734
Newly consolidated subsidiaries and others	24,409	2,451	(219)	(339)	997	2,890	(128)	(947)	433	(642)
CASH AND CASH EQUIVALENT - End of Period	¥159,007	¥114,722	¥152,554	¥185,451	¥126,818	¥126,818	¥180,812	¥115,477	¥144,745	¥144,745

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