

Consolidated Balance Sheets

(Millions of Yen)

	2008 31st March	2009 31st March	2010 31st March
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	¥159,007	¥126,313	¥142,582
Time deposits	1,518	1,141	1,233
Cash required to be segregated under regulations	313,817	266,267	318,909
Trade notes and accounts receivable	10,985	7,915	8,484
Operational investment securities	115,717	105,236	121,576
Valuation allowance for operational investment securities	(4,967)	(6,207)	(8,424)
Operational loans receivable	66,261	47,868	34,694
Real estate inventory	32,895	36,515	28,768
Trading assets	1,728	7,725	3,515
Margin transaction assets:			
Receivables from customers	274,887	134,792	221,107
Cash deposits as collateral for securities borrowed	17,995	46,009	40,534
Loans secured by securities	—	1	—
Short-term guarantee deposits	13,414	8,846	5,944
Deferred tax assets—current	1,053	5,921	7,667
Prepaid expenses and other current assets	66,723	65,771	55,767
Allowance for doubtful accounts	(1,762)	(2,703)	(2,033)
TOTAL CURRENT ASSETS	1,069,271	851,410	980,323
PROPERTY AND EQUIPMENT—Net:	12,652	8,578	20,614
INVESTMENTS AND OTHER ASSETS:			
Investment securities	15,972	10,088	11,248
Investments in unconsolidated subsidiaries and affiliated companies	25,923	23,781	29,956
Software, net of accumulated amortization	9,769	9,370	11,671
Rental deposits	6,801	7,375	7,144
Goodwill	60,874	136,354	133,008
Long-term trade receivables	50	47	10
Deferred tax assets—non-current	10,595	10,602	14,197
Other assets	12,109	28,273	31,536
Allowance for doubtful accounts	(4,769)	(6,644)	(9,767)
TOTAL INVESTMENTS AND OTHER ASSETS	137,324	219,246	229,003
TOTAL	¥1,219,247	¥1,079,234	¥1,229,940
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Short-term borrowings	¥53,832	¥54,658	¥55,615
Current portion of long-term debt	112,743	63,033	125,968
Income taxes payable	9,352	2,625	4,954
Margin transaction liabilities:			
Payables to financial institutions	81,583	56,726	48,813
Proceeds of securities sold for customers' accounts	62,531	89,545	101,224
Loans secured by securities	35,441	46,588	63,781
Consignment guarantee money received for margin transactions	272,006	229,184	222,530
Customers' deposits as collateral for commodity futures	39,574	28,885	59,844
Customers' deposits for securities transactions	20,147	23,488	31,176
Unearned income	1,893	2,085	2,049
Accrued expenses	3,280	3,035	2,897
Contingent reserve	22	—	—
Deferred tax liabilities—current	8,867	6	2,960
Other current liabilities	39,363	23,591	25,280
TOTAL CURRENT LIABILITIES	740,634	623,449	747,091
LONG-TERM LIABILITIES:			
Long-term debt, less current portion	77,149	13,584	27,620
Deferred tax liabilities—non-current	300	566	540
Other long-term liabilities	5,431	15,043	18,855
TOTAL LONG-TERM LIABILITIES	82,880	29,193	47,015
STATUTORY RESERVES	7,967	7,253	7,219
NET ASSETS			
Common stock	55,158	55,215	55,284
Capital surplus	116,762	219,012	218,969
Retained earnings	112,339	86,866	87,276
Treasury stock—at cost	(53,064)	(636)	(247)
Unrealized gain on available-for-sale securities	10,134	(5,946)	(559)
Foreign currency translation adjustments	(122)	(966)	(1,507)
Deferred hedged profit/loss	9	(26)	15
Stock acquisition right	4	12	12
Minority Interest	146,546	65,808	69,372
TOTAL NET ASSETS	387,766	419,339	428,615
TOTAL	¥1,219,247	¥1,079,234	¥1,229,940

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.



SBI Holdings, Inc. and Consolidated Subsidiaries

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 Ended 31st March, 2010				Year Ended 31st March, 2010
		1Q Apr. - Jun.	2Q Jul. - Sep.	3Q Oct. - Dec.	4Q Jan. - Mar.		1Q Apr. - Jun.	2Q Jul. - Sep.	3Q Oct. - Dec.	4Q Jan. - Mar.	
OPERATING REVENUES											
Asset Management Business	¥58,008	¥2,985	¥5,802	¥3,898	¥3,347	¥16,982	¥9,815	¥2,904	¥2,801	¥5,175	¥20,195
A. Investment in Securities	54,870	2,110	4,749	3,875	2,897	12,925	9,205	1,592	1,975	4,662	17,874
1) Revenue from Operational Investment Securities	53,447	1,828	4,460	3,096	2,421	11,805	8,927	1,253	1,615	4,308	16,103
2) Fees from Funds	1,223	282	283	279	276	1,120	278	279	360	354	1,271
<i>Fees from Funds consists of:</i>											
- Management Fee	1,141	282	283	279	276	1,120	278	279	360	354	1,271
- Establishment Fee	50	-	-	-	-	-	-	-	-	-	-
- Success Fee	32	-	-	-	-	-	-	-	-	-	-
B. Investment Advisory Service Fee and Others	3,338	825	1,059	523	650	3,057	610	772	926	513	2,321
Brokerage and Investment Banking Business	¥88,581	¥14,100	¥12,852	¥10,923	¥11,307	¥49,182	¥13,539	¥13,084	¥11,593	¥11,907	¥50,123
Financial Services Business	¥22,495	¥5,633	¥5,513	¥5,543	¥5,923	¥22,617	¥6,061	¥5,902	¥6,091	¥7,552	¥25,606
Housing and Real Estate Business	¥75,071	¥11,280	¥12,617	¥8,257	¥8,903	¥40,907	¥5,727	¥6,839	¥7,416	¥9,426	¥29,406
A. Real Estate Business	65,126	6,022	6,765	2,192	3,374	18,353	959	881	1,138	3,545	6,523
B. Financial Real Estate Business	6,727	1,738	1,989	2,316	1,850	7,893	1,382	2,293	3,078	2,357	9,110
C. Lifestyle Networks Business	13,218	3,470	3,863	3,749	3,579	14,661	3,386	3,665	3,200	3,524	13,775
System Solution Business	¥323	¥1,456	¥1,500	¥1,937	¥1,461	¥6,354	¥1,015	¥1,295	¥1,018	¥1,302	¥4,630
Eliminations/Corporate	(1,860)	(751)	(1,140)	(1,138)	(1,090)	(4,119)	(1,128)	(1,308)	(1,347)	(1,645)	(5,420)
OPERATING REVENUE	222,568	34,603	37,144	29,425	29,751	130,923	35,082	28,121	27,672	33,717	124,542
OPERATING COSTS											
Asset Management Business	38,341	1,909	2,626	3,700	2,099	10,334	7,207	1,377	1,733	4,909	15,226
Brokerage and Investment Banking Business	6,616	1,342	1,616	1,143	1,352	5,453	1,025	1,090	978	1,085	4,178
Financial Services Business	13,160	3,378	3,428	3,542	3,929	14,277	4,222	3,991	4,343	5,776	18,332
Housing and Real Estate Business	57,834	7,681	9,499	5,548	6,347	29,075	3,363	4,357	4,003	6,371	18,094
System Solution Business	249	1,122	1,229	1,518	1,214	5,083	874	1,157	940	1,073	4,044
Eliminations/Corporate	(856)	(165)	(165)	(127)	(131)	(588)	(155)	(234)	(171)	(175)	(735)
OPERATING COSTS	115,344	15,387	18,238	15,324	14,810	63,634	16,636	11,738	11,826	19,039	59,139
GROSS PROFIT	107,224	19,216	18,911	14,101	14,941	67,289	18,446	16,383	15,846	14,678	65,403
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES											
Asset Management Business	3,185	694	983	715	662	3,054	668	743	799	895	3,105
Brokerage and Investment Banking Business	41,404	9,369	9,970	9,547	9,129	38,015	9,458	9,065	8,789	9,258	36,570
Financial Services Business	8,486	1,883	1,702	1,647	1,617	6,849	1,681	1,764	1,993	1,629	7,067
Housing and Real Estate Business	9,143	2,698	2,619	2,606	2,985	10,908	2,483	2,949	3,002	2,916	11,350
System Solution Business	547	438	409	320	407	1,574	337	294	251	220	1,102
Eliminations/Corporate	1,852	345	807	449	884	2,485	638	997	590	502	2,777
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	64,617	15,427	16,490	15,284	15,684	62,885	15,315	15,812	15,424	15,420	61,971
OPERATING INCOME											
Asset Management Business	16,482	332	2,193	(517)	586	2,594	1,940	184	369	(629)	1,864
Brokerage and Investment Banking Business	20,511	3,389	1,266	233	826	5,714	3,056	2,929	1,826	1,564	9,375
Financial Services Business	849	372	383	359	377	1,491	158	147	(245)	147	207
Housing and Real Estate Business	8,094	851	499	103	(529)	924	(119)	(467)	411	139	(36)
System Solution Business	(473)	(104)	(138)	99	(160)	(303)	(196)	(156)	(173)	9	(516)
Eliminations/Corporate	(2,856)	(931)	(1,782)	(1,460)	(1,843)	(6,016)	(1,658)	(2,066)	(1,766)	(1,972)	(7,462)
OPERATING INCOME	¥42,607	¥3,909	¥2,421	(¥1,183)	(¥743)	¥4,404	¥3,181	¥571	¥422	(¥742)	¥3,432
OTHER INCOME (EXPENSES):											
Interest and dividends income	648	460	577	281	116	1,434	175	108	113	124	520
Interest expense	(1,785)	(486)	(561)	(737)	(666)	(2,450)	(371)	(494)	(545)	(550)	(1,960)
Foreign exchange gain (loss)-net	(726)	245	(226)	(777)	137	(621)	(194)	(457)	194	293	(64)
Gain (loss) on sale of investment securities-net	6,780	(1,328)	(236)	54	(7)	(1,517)	610	157	(73)	2,222	2,916
Appraisal loss of investment securities	(677)	(9,470)	9,102	(5,962)	(1,219)	(7,548)	(4)	(21)	(6)	(15)	(46)
Dilution gain (loss) from change in equity interest	(1,702)	261	49	29	2	341	116	(10)	1	33	140
Reversal of allowance for doubtful accounts	28	-	-	-	-	-	-	-	-	-	-
Amortization of goodwill-net	(2,121)	-	(1,056)	-	-	(1,066)	-	-	-	-	-
Provision for statutory reserves	(1,611)	(0)	(5)	(0)	4	(1)	-	-	-	(0)	(0)
Equity in losses of subsidiaries and associated companies	(11,409)	(1,003)	(802)	(582)	(1,475)	(3,862)	(113)	(36)	139	(89)	(99)
Other-net	(1,213)	85	(651)	(2,482)	(2,198)	(5,246)	(383)	(1,861)	(311)	(1,363)	(3,918)
OTHER INCOME (EXPENSES) - NET	(13,788)	(11,236)	6,181	(10,176)	(5,305)	(20,536)	(164)	(2,514)	(488)	655	(2,511)
INCOME BEFORE INCOME TAXES/MINORITY INTERESTS	28,819	(7,327)	8,602	(1,359)	(6,048)	(16,132)	3,017	(1,943)	(66)	(67)	921
INCOME TAXES											
Current	19,311	2,221	7,597	682	1,329	11,829	2,381	2,590	1,798	2,327	9,096
Deferred	(2,038)	(3,365)	(2,506)	55	136	(5,680)	(1,000)	(2,632)	(2,296)	(2,432)	(8,360)
TOTAL INCOME TAXES	17,273	(1,144)	5,091	737	1,465	6,149	1,381	(42)	(498)	(105)	736
MINORITY INTERESTS IN NET INCOME	(7,317)	275	874	1,771	986	3,906	263	824	232	846	2,165
NET INCOME (LOSS)	¥4,229	(¥5,908)	¥4,385	(¥10,326)	(¥6,527)	(¥18,376)	¥1,899	(¥1,077)	¥664	¥864	¥2,350
PER SHARE OF COMMON STOCK											
Basic net income	(Yen) ¥376.63					(Yen) ¥1,232.48					(Yen) ¥140.30
Diluted net income	¥344.65					-					¥116.84

Consolidated Statements of Cash Flows

(Millions of Yen)

	Year Ended 31st March, 2008	Year Ended 31st March, 2009				Year Ended 31st March, 2009	Year Ended 31st March, 2010				Year Ended 31st March, 2010
		1Q Apr. - Jun.	2Q Jul. - Sep.	3Q Oct. - Dec.	4Q Jan. - Mar.		1Q Apr. - Jun.	2Q Jul. - Sep.	3Q Oct. - Dec.	4Q Jan. - Mar.	
OPERATING ACTIVITIES											
INVESTING ACTIVITIES	(¥50,073)	(¥41,354)	¥38,140	¥63,484	¥42,365	¥103,035	(¥11,486)	(¥40,665)	¥39,338	(¥40,324)	(¥51,135)
FINANCING ACTIVITIES	(9,957)	16,043	(19,473)	(32,060)	(102,025)	(137,515)	21,113	34,092	(8,471)	37,865	84,599
Newly consolidated subsidiaries and others	24,409	2,451	(219)	(339)	997	2,890	(128)	(947)	433	1,010	368
CASH AND CASH EQUIVALENT - End of Period	¥159,007	¥114,722	¥162,564	¥185,461	¥126,313	¥126,313	¥190,312	¥115,477	¥144,745	¥142,582	¥145,582

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