



SBI Holdings, Inc. and Consolidated Subsidiaries

Consolidated Balance Sheets

(Millions of Yen)

	2009	2010	1Q	2Q	3Q
	31st March	31st March	2010 30th June	2010 30th September	2010 31st December
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	¥126,313	¥142,582	¥165,624	¥133,705	¥180,976
Time deposits	1,141	1,233	1,044	1,361	1,518
Cash required to be segregated under regulations	266,267	318,909	306,266	308,666	331,666
Notes and accounts receivable	7,915	8,484	9,429	10,561	10,413
Operational investment securities	105,236	121,576	119,738	125,139	126,582
Valuation allowance for operational investment securities	(6,207)	(8,424)	(9,459)	(5,115)	(4,794)
Operational loans receivable	47,868	34,694	35,927	35,396	34,851
Real estate inventory	36,515	28,768	31,068	31,579	25,621
Trading assets	7,725	3,515	9,746	10,024	9,987
Margin transaction assets:					
Receivables from customers	134,792	221,107	304,980	245,254	218,157
Cash deposits as collateral for securities borrowed	46,009	40,534	7,122	22,011	21,032
Short-term guarantee deposits	8,846	5,944	3,361	3,350	8,147
Deferred tax assets—current	5,921	7,667	7,381	6,819	8,219
Prepaid expenses and other current assets	65,771	55,767	50,333	66,373	73,578
Allowance for doubtful accounts	(2,702)	(2,033)	(2,948)	(2,813)	(2,680)
<b>TOTAL CURRENT ASSETS</b>	<b>851,410</b>	<b>980,323</b>	<b>1,039,612</b>	<b>992,310</b>	<b>1,043,273</b>
<b>PROPERTY AND EQUIPMENT—Net:</b>	<b>8,578</b>	<b>20,614</b>	<b>17,967</b>	<b>17,909</b>	<b>20,366</b>
<b>INVESTMENTS AND OTHER ASSETS:</b>					
Investment securities	10,088	11,248	10,420	10,083	11,021
Investments in unconsolidated subsidiaries and affiliated companies	23,781	29,956	38,540	44,290	47,856
Software, net of accumulated amortization	9,370	11,671	12,494	13,058	13,067
Rental deposits	7,375	7,144	7,106	7,321	7,266
Goodwill	136,354	133,008	130,782	129,824	127,973
Long-term trade receivables	47	10	0	—	—
Deferred tax assets—non-current	10,602	14,197	15,694	17,876	16,777
Other assets	28,273	31,536	32,244	32,909	33,084
Allowance for doubtful accounts	(6,644)	(9,767)	(10,253)	(10,693)	(10,526)
<b>TOTAL INVESTMENTS AND OTHER ASSETS</b>	<b>219,246</b>	<b>229,003</b>	<b>237,027</b>	<b>244,668</b>	<b>246,518</b>
<b>TOTAL</b>	<b>¥1,079,234</b>	<b>¥1,229,940</b>	<b>¥1,294,606</b>	<b>¥1,254,887</b>	<b>¥1,310,157</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Short-term debt	¥54,658	¥55,615	¥71,250	¥56,058	¥49,614
Current portion of long-term debt	63,033	125,968	114,618	125,385	113,460
Income taxes payable	2,625	4,954	2,554	4,407	2,620
Margin transaction liabilities:					
Payables to financial institutions	56,726	48,813	77,641	52,857	55,849
Proceeds of securities sold for customers' accounts	89,545	101,224	48,322	72,274	81,396
Loans secured by securities on repurchase agreement transactions	46,588	63,781	110,673	67,389	112,899
Consignment guarantee money received for margin transactions	258,069	282,374	283,108	277,825	284,126
Customers' deposits for securities transactions	23,488	31,176	28,424	32,158	34,157
Unearned income	2,085	2,049	2,929	3,390	3,242
Accrued expenses	3,035	2,897	3,034	3,199	4,230
Deferred tax liabilities—current	6	2,960	965	1,566	2,232
Other current liabilities	23,591	25,280	39,507	40,837	50,878
<b>TOTAL CURRENT LIABILITIES</b>	<b>623,449</b>	<b>747,091</b>	<b>783,025</b>	<b>737,345</b>	<b>794,703</b>
<b>LONG-TERM LIABILITIES:</b>					
Long-term debt, less current portion	13,584	27,620	26,839	35,274	34,996
Deferred tax liabilities—non-current	566	540	518	489	406
Other long-term liabilities	15,043	18,855	19,187	19,051	18,792
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>29,193</b>	<b>47,015</b>	<b>46,544</b>	<b>54,814</b>	<b>54,194</b>
<b>STATUTORY RESERVES</b>	<b>7,253</b>	<b>7,219</b>	<b>5,197</b>	<b>5,197</b>	<b>5,197</b>
<b>EQUITY</b>					
Common stock	55,215	55,284	73,226	73,226	73,232
Capital surplus	219,012	218,969	236,911	236,911	236,917
Retained earnings	86,866	87,276	86,803	86,241	87,066
Treasury stock—at cost	(636)	(247)	(247)	(247)	(247)
Unrealized gain (loss) on available-for-sale securities	(5,946)	(559)	(4,229)	(3,649)	(3,842)
Foreign currency translation adjustments	(966)	(1,507)	(2,400)	(3,168)	(3,658)
Deferred gain (loss) on derivatives under hedge accounting	(26)	15	(995)	(1,476)	(945)
Stock acquisition rights	12	12	12	12	12
Minority Interests	65,808	69,372	70,759	69,681	67,528
<b>TOTAL EQUITY</b>	<b>419,389</b>	<b>428,615</b>	<b>459,840</b>	<b>457,531</b>	<b>456,063</b>
<b>TOTAL</b>	<b>¥1,079,234</b>	<b>¥1,229,940</b>	<b>¥1,294,606</b>	<b>¥1,254,887</b>	<b>¥1,310,157</b>

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, 2009	Year Ended 31st March, 2010				Year Ended 31st March, 2010	Year Ending 31st March, 2011			Nine-month period ended Dec.31, 2010
		1Q Apr. -Jun.	2Q Jul. -Sep.	3Q Oct.-Dec.	4Q Jan.-Mar.		1Q Apr. -Jun.	2Q Jul. -Sep.	3Q Oct.-Dec.	
<b>OPERATING REVENUES</b>										
<b>Asset Management Business</b>	<b>¥16,764</b>	<b>¥9,814</b>	<b>¥2,308</b>	<b>¥2,901</b>	<b>¥5,172</b>	<b>¥20,190</b>	<b>¥6,059</b>	<b>¥4,458</b>	<b>¥4,457</b>	<b>¥14,974</b>
<b>A. Investment in Securities</b>	<b>12,924</b>	<b>9,205</b>	<b>1,532</b>	<b>1,974</b>	<b>4,683</b>	<b>17,374</b>	<b>5,566</b>	<b>3,929</b>	<b>3,763</b>	<b>13,258</b>
1) Revenue from Operational Investment Securities	11,804	8,927	1,253	1,614	4,309	16,103	5,230	3,580	3,433	12,243
2) Fees from Funds	1,120	278	279	360	354	1,271	336	349	330	1,015
<i>Fees from Funds consists of</i>										
- Management Fee	1,120	278	279	360	354	1,271	336	349	330	1,015
- Establishment Fee	-	-	-	-	-	-	-	-	-	-
- Success Fee	-	-	-	-	-	-	-	-	-	-
<b>B. Investment Advisory Service Fee and Others</b>	<b>2,840</b>	<b>609</b>	<b>771</b>	<b>927</b>	<b>509</b>	<b>2,816</b>	<b>493</b>	<b>529</b>	<b>694</b>	<b>1,716</b>
<b>Brokerage and Investment Banking Business</b>	<b>¥49,182</b>	<b>¥13,539</b>	<b>¥13,064</b>	<b>¥11,593</b>	<b>¥11,907</b>	<b>¥50,123</b>	<b>¥13,135</b>	<b>¥11,061</b>	<b>¥10,929</b>	<b>¥35,145</b>
<b>Financial Services Business</b>	<b>¥22,617</b>	<b>¥6,061</b>	<b>¥5,902</b>	<b>¥6,091</b>	<b>¥7,552</b>	<b>¥25,606</b>	<b>¥7,170</b>	<b>¥7,339</b>	<b>¥7,696</b>	<b>¥22,195</b>
<b>Housing and Real Estate Business</b>	<b>¥27,663</b>	<b>¥2,710</b>	<b>¥3,615</b>	<b>¥4,623</b>	<b>¥6,205</b>	<b>¥17,153</b>	<b>¥4,178</b>	<b>¥4,414</b>	<b>¥3,487</b>	<b>¥17,079</b>
A. Real Estate Business	18,353	959	880	1,139	3,544	6,522	1,528	1,140	4,602	7,270
B. Financial Real Estate Business	7,893	1,382	2,293	3,077	2,358	9,110	2,276	2,267	3,475	6,612
C. Lifestyle Networks Business	1,417	369	442	407	303	1,521	374	413	410	1,197
<b>Total Segments</b>	<b>¥115,226</b>	<b>¥32,124</b>	<b>¥24,904</b>	<b>¥25,208</b>	<b>¥30,836</b>	<b>¥113,072</b>	<b>¥30,542</b>	<b>¥27,292</b>	<b>¥31,559</b>	<b>¥99,393</b>
<b>All other segments</b>	<b>¥19,816</b>	<b>¥4,052</b>	<b>¥4,520</b>	<b>¥3,611</b>	<b>¥4,527</b>	<b>¥16,590</b>	<b>¥3,596</b>	<b>¥4,667</b>	<b>¥3,933</b>	<b>¥12,246</b>
<b>Eliminations/Corporate</b>	<b>(4,119)</b>	<b>(1,124)</b>	<b>(1,303)</b>	<b>(1,347)</b>	<b>(1,646)</b>	<b>(6,420)</b>	<b>(1,396)</b>	<b>(1,753)</b>	<b>(1,980)</b>	<b>(5,078)</b>
<b>OPERATING REVENUE</b>	<b>130,923</b>	<b>36,052</b>	<b>28,121</b>	<b>27,672</b>	<b>38,717</b>	<b>124,542</b>	<b>32,743</b>	<b>30,206</b>	<b>33,612</b>	<b>96,561</b>
<b>OPERATING COSTS</b>										
Asset Management Business	10,334	7,207	1,377	1,732	4,908	15,224	4,163	2,213	1,439	7,815
Brokerage and Investment Banking Business	5,453	1,025	1,090	979	1,085	4,179	1,247	1,112	1,199	3,558
Financial Services Business	14,277	4,222	3,991	4,343	5,776	18,332	5,133	5,413	5,742	16,288
Housing and Real Estate Business	19,261	1,479	1,681	2,092	3,789	9,041	1,685	1,522	4,833	8,040
All other segments	14,897	2,758	3,833	2,851	3,655	13,097	2,956	3,678	3,076	9,710
Eliminations/Corporate	(588)	(155)	(234)	(171)	(174)	(734)	(227)	(248)	(533)	(1,008)
<b>OPERATING COSTS</b>	<b>63,634</b>	<b>16,636</b>	<b>11,738</b>	<b>11,826</b>	<b>19,039</b>	<b>59,139</b>	<b>14,957</b>	<b>13,990</b>	<b>15,756</b>	<b>44,403</b>
<b>GROSS PROFIT</b>	<b>67,289</b>	<b>19,416</b>	<b>16,383</b>	<b>15,846</b>	<b>14,678</b>	<b>65,403</b>	<b>17,786</b>	<b>16,216</b>	<b>17,856</b>	<b>52,158</b>
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>										
Asset Management Business	2,292	516	546	647	712	2,421	787	675	1,023	2,485
Brokerage and Investment Banking Business	38,015	9,458	9,065	8,789	9,258	36,570	9,082	8,995	9,341	27,418
Financial Services Business	6,849	1,681	1,764	1,993	1,629	7,067	1,968	2,208	2,208	5,736
Housing and Real Estate Business	7,152	1,427	1,920	1,950	1,943	7,240	1,968	2,211	2,376	6,555
All other segments	6,092	1,545	1,520	1,455	1,376	5,896	1,389	1,260	1,292	3,941
Eliminations/Corporate	2,485	688	997	590	502	2,777	314	488	501	1,303
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>62,885</b>	<b>15,315</b>	<b>15,812</b>	<b>15,494</b>	<b>15,420</b>	<b>61,971</b>	<b>15,100</b>	<b>15,597</b>	<b>16,741</b>	<b>47,438</b>
<b>OPERATING INCOME</b>										
Asset Management Business	3,139	2,091	380	522	(448)	2,545	1,109	1,570	1,995	4,674
Brokerage and Investment Banking Business	5,714	3,056	2,929	1,825	1,564	9,374	2,806	974	389	4,169
Financial Services Business	1,491	158	147	(245)	147	207	477	(42)	(264)	171
Housing and Real Estate Business	1,250	(196)	14	581	473	872	525	681	1,278	2,484
All other segments	(1,174)	(271)	(833)	(495)	(504)	(2,103)	(749)	(385)	(1,405)	(1,405)
Eliminations/Corporate	(6,016)	(1,657)	(2,066)	(1,766)	(1,974)	(7,463)	(1,482)	(1,993)	(1,898)	(5,373)
<b>OPERATING INCOME</b>	<b>¥4,404</b>	<b>¥3,181</b>	<b>¥671</b>	<b>¥422</b>	<b>(¥742)</b>	<b>¥3,492</b>	<b>¥2,686</b>	<b>¥919</b>	<b>¥1,115</b>	<b>¥4,720</b>
<b>OTHER INCOME (EXPENSES):</b>										
Interest and dividends income	1,434	175	108	113	124	520	198	107	175	480
Interest expense	(2,450)	(371)	(494)	(545)	(550)	(1,960)	(680)	(695)	(675)	(2,050)
Foreign exchange gain (loss)-net	(621)	(194)	(357)	194	293	(64)	(1,038)	(211)	(342)	(1,591)
Gain (loss) on sale of investment securities-net	(1,517)	610	157	(73)	2,222	2,916	42	11	2,673	2,726
Impairment loss of investment securities	(7,548)	(4)	(21)	(6)	(15)	(46)	(26)	(151)	(7)	(177)
Dilution gain (loss) from change in equity interest	341	116	(10)	1	33	140	31	-	-	24
Equity in gain (loss) of subsidiaries and associated companies	(3,862)	(113)	(36)	139	(89)	(99)	217	(14)	330	533
Other-net	(6,313)	(383)	(1,861)	(311)	(1,363)	(3,918)	(589)	(693)	(479)	(1,761)
<b>OTHER INCOME (EXPENSES) - NET</b>	<b>(20,536)</b>	<b>(164)</b>	<b>(2,514)</b>	<b>(488)</b>	<b>655</b>	<b>(2,511)</b>	<b>(1,845)</b>	<b>(1,646)</b>	<b>1,675</b>	<b>(1,816)</b>
<b>INCOME BEFORE INCOME TAXES/MINORITY INTERESTS</b>	<b>(16,132)</b>	<b>3,017</b>	<b>(1,843)</b>	<b>(66)</b>	<b>(87)</b>	<b>921</b>	<b>841</b>	<b>(727)</b>	<b>2,790</b>	<b>2,904</b>
<b>INCOME TAXES</b>										
Current	11,829	2,381	2,590	1,798	2,327	9,096	2,292	2,101	1,833	6,226
Deferred	(5,680)	(1,000)	(2,632)	(2,296)	(2,432)	(8,360)	(1,832)	(1,169)	617	(2,384)
<b>TOTAL INCOME TAXES</b>	<b>6,149</b>	<b>1,381</b>	<b>(42)</b>	<b>(498)</b>	<b>(105)</b>	<b>736</b>	<b>460</b>	<b>932</b>	<b>2,450</b>	<b>3,842</b>
<b>INCOME BEFORE MINORITY INTERESTS</b>	<b>(22,281)</b>	<b>1,637</b>	<b>(1,901)</b>	<b>431</b>	<b>18</b>	<b>185</b>	<b>381</b>	<b>(1,659)</b>	<b>340</b>	<b>(938)</b>
<b>MINORITY INTERESTS IN NET (INCOME) LOSS</b>	<b>3,906</b>	<b>263</b>	<b>824</b>	<b>232</b>	<b>846</b>	<b>2,155</b>	<b>883</b>	<b>1,081</b>	<b>485</b>	<b>2,449</b>
<b>NET INCOME (LOSS)</b>	<b>(¥18,375)</b>	<b>¥1,899</b>	<b>(¥1,077)</b>	<b>¥663</b>	<b>¥864</b>	<b>¥2,350</b>	<b>¥1,264</b>	<b>(¥578)</b>	<b>¥825</b>	<b>¥1,511</b>
<b>PER SHARE OF COMMON STOCK</b>										
Basic net income	(Yen) ¥1,232.48					(Yen) ¥140.30				(Yen) ¥79.63
Diluted net income						¥116.84				¥69.76

Consolidated Statements of Cash Flows

(Millions of Yen)

	Year Ended 31st March, 2009	Year Ended 31st March, 2010				Year Ended 31st March, 2010	Year Ending 31st March, 2011			Nine-month period ended Dec.31, 2010
		1Q Apr. -Jun.	2Q Jul. -Sep.	3Q Oct.-Dec.	4Q Jan.-Mar.		1Q Apr. -Jun.	2Q Jul. -Sep.	3Q Oct.-Dec.	
<b>OPERATING ACTIVITIES</b>	<b>¥103,035</b>	<b>(¥11,486)</b>	<b>(¥40,663)</b>	<b>¥39,338</b>	<b>(¥40,324)</b>	<b>(¥53,135)</b>	<b>(¥10,282)</b>	<b>(¥19,753)</b>	<b>¥71,946</b>	<b>¥41,911</b>
<b>INVESTING ACTIVITIES</b>	<b>(1,104)</b>	<b>(5,500)</b>	<b>(7,317)</b>	<b>(2,032)</b>	<b>(714)</b>	<b>(15,563)</b>	<b>(4,229)</b>	<b>(5,565)</b>	<b>(2,693)</b>	<b>(12,487)</b>
<b>FINANCING ACTIVITIES</b>	<b>(137,515)</b>	<b>21,113</b>	<b>34,092</b>	<b>(8,471)</b>	<b>37,865</b>	<b>84,599</b>	<b>38,979</b>	<b>(6,019)</b>	<b>(20,457)</b>	<b>12,503</b>
Newly consolidated subsidiaries and others	2,890	(128)	(947)	433	1,010	368	(1,426)	(682)	(1,525)	(3,533)
<b>CASH AND CASH EQUIVALENT - End of Period</b>	<b>¥126,313</b>	<b>¥130,312</b>	<b>¥115,477</b>	<b>¥144,745</b>	<b>¥142,582</b>	<b>¥165,624</b>	<b>¥138,706</b>	<b>¥180,976</b>	<b>¥180,976</b>	<b>¥180,976</b>

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) SBI Holdings changed its business segments in this fiscal year (year ending March 2011), complying with "Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (Statement No.17) and "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (Guidance No.20).